

The complaint

Mr O complains about the actions Dura Capital Limited took to cash out an investment he held in an ISA. He is unhappy with how the maturity of his investment was handled and this has led to him losing the ISA wrapper for the funds.

What happened

In May 2019, Mr O invested £10,000 in a structure product with Dura. The plan had a flexible maturity date.

On 1 June 22, Dura wrote to Mr O to tell him his investment had matured early on 31 May 2022 – and it needed his instructions as to how he would like to proceed. The letter detailed various options for Mr O to select from - which included reinvesting the funds, moving to a new ISA manager or encashing the funds so they are transferred to a bank account. Mr O didn't reply to the maturity options letter in the specified timescale. The default option was to encash his investment, as Dura didn't hear from Mr O this option was actioned.

In December 2022, Mr O complained to Dura about the handling of the maturity of his investment and the lack of warning prior to losing its ISA wrapper. He said he didn't want to cash out his ISA. He also said he wasn't contacted by email or phone and wasn't given any reminders before the encashment happened.

Dura didn't uphold the complaint. In summary it said:

- The Terms and Conditions of the investment explain it is able to mature plans earlier than the maturity date. When this happens, it writes to clients to give maturity options and allows three months to return their instructions. If no instruction is given, the terms say it will return the funds in cash and the ISA status will be lost.
- Both Mr O, and the intermediary that arrange the investment, were sent a maturity letter on 1 June 2022 setting out the options. It is unable to follow up on every maturity instruction by email or telephone. The letter also explained that if no instruction is received within three months of maturity the cash proceeds will be returned to the client's designated bank account. As this was not an error on its part it is unable to re-in state the ISA status of this money as per HMRC regulations.

Mr O didn't accept the response, so referred his complaint to this service for an independent review. He reiterated his concerns and also said Dura's processes don't have regard for its clients and it should also recognise that not everyone has excellent eyesight and perfect health. One of our investigators looked into the complaint. He didn't uphold it. In summary he said:

- While Dura had a duty to pay regards to its customers interests, he didn't see evidence from Mr O's application or otherwise that Dura had been notified that Mr O needed large print. As such, he didn't find it had failed to adapt its communications as it should.
- The maturity forms and terms and conditions are both explicit about what options were available at maturity and clearly gave three months to decide what to do. The default option for plans without an optional preference at maturity was encashment and payment to the relevant bank account. In this circumstance, Dura didn't do

anything wrong or acted unfairly.

Mr O didn't agree with the investigator's assessment, so the complaint has been passed to me to reach a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've reviewed Mr O's investment and note that it was a structured product that was designed to run for a number of years, but there are "Autocall Dates" on each anniversary that can be enacted to mature the plan early. In Mr O's case, this is what happened with his investment in 2022.

I've reviewed the terms of the investment – specifically around what happens at maturity as a result of an Autocall. The terms explain that you will be contacted on maturity and given your options. They go on to say if after three months no instruction is given Dura will return the money. There is a warning that if the investment is an ISA, it will lose this status if encashed.

I've reviewed a copy of the maturity letter dated 1 June 2022 that was sent to Mr O. It is apparent from Mr O's submissions that he received this letter but filed it until he had found a new plan manager. The letter contains information about the maturity options available to him. It also contains the following warnings. The first of which is in relation to the encashment option:

"Important Information: Selecting this option will mean that the ISA status of your investment will be lost once your ISA maturity proceeds are transmitted to your bank account."

Then later in the letter there was a further warning:

"If we do not receive your Instructions within three months of maturity we will automatically pay your maturity proceeds to the bank account we hold on file. This would mean that the ISA status will be lost once your ISA maturity proceeds are transmitted to your bank account."

Both of these statements were highlighted in bold for emphasis.

I find Dura gave Mr O clear information about what happens at maturity - crucially this relates to what would happen if no instruction for the maturity proceeds is given within three months. This means I don't find that Dura has treated Mr O unfairly. I'm satisfied that it has provided clear information in a timely manner. I'm also satisfied that it has applied the terms fairly when it encashed his investment.

I understand Mr O is unhappy about losing the ISA wrapper for his funds. This isn't something he intended to happen. But I haven't found this has been caused by an error by Dura. So, I don't require it to do anything.

I acknowledge the points Mr O makes about Dura's processes not having regard for client needs. He makes reference to problems with his vision making it difficult to fully understand all of the information in the maturity letter. He also thinks Dura should have contacted him by phone or email to warn him that his ISA funds were being returned. I've considered the points Mr O makes. I haven't seen anything to suggest he made Dura aware of him having

specific accessibility needs. And while I can understand why it would have been helpful for him to receive a call or email, I don't think it was required to do this. It follows, I don't find Dura has done anything wrong in this respect.

I appreciate this will come as a disappointment to Mr O and understand his frustration at losing the ISA wrapper for his funds, but I haven't found reason to uphold the complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 29 December 2023.

Daniel Little
Ombudsman