

The complaint

Mr J has complained about the online investment account he holds with Lloyds Bank PLC. In particular, he is unhappy that the nature of the account wasn't made clear to him, and he is unhappy with how it has performed.

What happened

Mr J registered for an online investment account with Lloyds in December 2021.

In January 2023, Mr J complained to Lloyds. He was unhappy with the performance of his investment. He said that he had suffered losses on his initial £100,000 investment of approximately £11,000.

Lloyds responded to Mr J. They said that Mr J had taken the investment out on an execution-only basis. Meaning they didn't give him any advice and only acted on his instruction. They also said that he should have been aware that the value of his investment can fall as well as rise and that it was due to market conditions.

Mr J remained unhappy. He said the investment account hadn't been properly described to him and he wasn't aware that in his opinion it's effectively a share dealing account. He maintained that performance hadn't been good enough, at a time when savings rates were increasing. He brought his complaint to our service for an independent review.

Our investigator looked into it, but she didn't think Lloyds had done anything wrong. She said the account had worked and been managed as set out in the terms and conditions and agreed to by Mr J. She understood he was unhappy with the poor performance of the investment but that alone wasn't something she could uphold a complaint for. She was satisfied Mr J should have been aware the investment value could fall.

The case has now been passed to me to reach a 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.

Having done so, I have come to the same conclusion as the Investigator. Let me explain why.

Firstly, I would like to empathise with Mr J and the significant losses he has suffered. He says he has lost over 10% of his initial investment amount to date and he has made us aware this amount was earmarked for his pension. So, I know this will have been extremely

distressing for him.

However, when considering a complaint, I am deciding if the business clearly did something wrong or made a mistake, not whether they might have done things differently considering hindsight. I understand Mr J is unhappy with the performance of his investment, but performance alone isn't something that our service can consider a complaint about. In other words, the business is unable to control or predict how the investment is likely to perform as that's dependent on the financial markets.

Further, I have been provided with a copy of the terms and conditions of the investment which Mr J accepted. Section 4.7 of these states, *"There are risks involved in the use of the service, including investment risk caused by the fact that the value of your investments will change over time....The value of your investments and the level of any income from them can go down as well as up. You may not get back the full amount you have invested. You should also remember that past performance of investments is not an indication of how those investments might perform in the future"*. I am satisfied that from this, Mr J should have been aware of the risk to his investment.

Mr J has also complained that it wasn't made clear to him what he was investing into. However, I have been provided with a copy of the webpage where the investment is selected and a link to a factsheet on there, which explained the managed funds in more detail. Mr J will also have been provided with a copy of the Key Investor Information Document (KIID) and the fund factsheet.

I have been provided with these too and I think they made clear what the managed fund did. It states that *"the Fund aims to achieve capital growth by investing in a portfolio of collective investment schemes to achieve exposure to a wide range of investments, consisting of UK and Global shares and fixed interest securities, with the remainder in property assets and some exposure to absolute return strategies"*.

Mr J was taking out the investment without advice, on an execution only basis, and as such it was his responsibility to read and understand the information that he was provided with. I think it was clear and I haven't been provided with any evidence that Lloyds have acted outside of the terms and conditions or agreement.

In summary, Mr J took this investment out without advice and on an execution only basis. I am satisfied that the documentation provided to him at that point, should have made clear the nature of the investment and the risks involved.

My final decision

My final decision, for the reasons stated above, is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 April 2024.

Yoni Smith
Ombudsman