

## The complaint

Mr B's unhappy that he was drawn into high risk investment and wasn't provided with adequate advice from Financial Administration Services Limited ("Fidelity").

## What happened

The facts aren't in dispute. In summary Mr B had some previous investment experience and when looking into the Woodford Patient Capital Trust PLC (WPCT) fund the reports were glowing and he was particularly attracted to the gains within the investment.

So in 2015 Mr B completed an application to transfer into a Fidelity stocks and shares ISA. He chose to invest in the WPCT at 100%. Mr B says it was his understanding that there'd be FCA oversight for this investment, so he acted in good faith when choosing this as his investment choice.

Mr B had also invested in other Woodford funds which had been suspended in June 2019; however the WPCT fund wasn't suspended. Mr B was unhappy that Fidelity didn't warn him about the Woodford collapse, and he felt Fidelity had misinformed him when buying the fund. By April 2020 he had lost nearly 78% of his original investment.

Our investigator didn't uphold the complaint. He found Fidelity had acted fairly in handling Mr B's investment. Our investigator was satisfied that no advice had been given to Mr B and also that Fidelity wouldn't have known that the Woodford fund would have collapsed.

Mr B remains unhappy particularly as he feels there's a toxic relationship between the fund manager and the company running WPCT. He's unhappy that around 300,000 investors will potentially lose £1 billion.

## 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.

Firstly, I'd like to mention that as a service we can only consider the complaint Mr B has raised and the impact it had on him. I appreciate other people maybe in the same position as Mr B, but I am only considering his complaint.

I've looked at the information that Mr B completed at inception of the ISA. He signed a declaration accepting that the terms and key features document had been read. That document has a section headed 'Important Information'. It says:

*Please note that Fidelity Personal Investing does not provide advice, and therefore, is not required to assess the suitability or appropriateness of investments that you choose, that we many hold for you, or for other services provided to you by Fidelity. This means that you do not benefit from the protection of the Financial Conduct Authority's rules on assessing*

*suitability. If you are in any doubt about the suitability or appropriateness of any particular investment or service, we recommend that you consult an authorised financial adviser.*

Based on the agreement Mr B entered into, I'm satisfied he consented to a non-advised investment platform. So in other words Fidelity didn't provide any advice and only provided the platform on which Mr B was able to carry out any investments. It was an execution only service. I find that Fidelity made this clear. In turn it meant it was up to Mr B to pick his own investments based on the information available to him and his own research. I can see Mr B did choose the investment he wanted but believes that in promoting that investment Fidelity gave him advice. I don't agree. Advertising a product isn't the same giving advice. But in any event Mr B has said that the Woodford fund was attractive to him based on his own research of its track record.

Mr B is understandably unhappy with the losses he's suffered. Having carefully looked at the statements I can see Fidelity were sending out statements regularly to him. The statements show Mr B's investment wasn't performing so I think it's fair to say that Mr B could have been aware something wasn't quite right. It was up to him to act on that information if he wanted to. Of course he might have decided to wait and see if the fund recovered, but that was his choice.

Mr B says an ISA is a savings product and not something that's a gamble. As the statements were being sent to Mr B I'm satisfied Fidelity carried out their duty and Mr B could have been aware sooner that the investment value was dropping and that his ISA wasn't just a savings vehicle. An investment always has the chance to go up as well as come down. And I can't see anywhere it was guaranteed Mr B was going to get a return on his investment. In all the circumstances, and as Fidelity weren't able to give advice, I don't find that they have done anything wrong.

I note that Mr B had investments elsewhere with Woodford, so I find it's more likely than not he would have been aware of the potential losses he could have incurred across his investment portfolio. But as he didn't hold all of his Woodford holdings with Fidelity I can't say they acted unfairly in not telling him about the collapse of the Woodford funds that were different to the holdings he had with Fidelity. And as his investment was still tradeable, I wouldn't have expected them to have alerted him to the collapse of the other funds.

Finally whilst I do sympathise with Mr B's situation, and note that very sadly he lost his wife during this time, I've not seen anything to show the fund manager and Fidelity are acting as one here, so I won't be asking Fidelity to do anything differently.

### **My final decision**

I recognise that Mr B will be disappointed by my decision but for the reasons given above my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 March 2022.

Lindsey Woloski  
**Ombudsman**