

The complaint

Mr M, a trustee of Trust M, complains Interactive Investor Services Limited unfairly sold shares belonging to the trust to pay fees which weren't properly disclosed.

What happened

Trust M held an account with a firm I'll refer to as S. S wrote to Mr M in September 2020 to explain it was merging with Interactive, and that it needed his consent to transfer his account across to the new platform. Mr M provided his consent for the transfer to take place.

Some time later, Mr M realised Interactive had been charging a monthly fee he'd never had to pay whilst he was with S. As there was no cash in the trust's account, Interactive had been selling the trust's shares to pay these fees.

Mr M complained about this to Interactive. Amongst other things, he argued the new fees hadn't been clearly disclosed prior to him consenting to the transfer. He felt it was unfair Interactive hadn't obtained his consent prior to selling the trust's shares. And he referenced Interactive's "Price Promise", an offer made in its promotional literature, which he felt should entitle him to a reimbursement of the fees he'd been charged.

Interactive rejected Mr M's complaint, so he referred the matter to our service. On referral, Interactive further explained that it felt it'd clearly communicated information about its fees. That the fee in question was exempted from its "Price Promise". And that it'd sent notifications about the fees to Mr M by email.

Our investigator didn't uphold Mr M's complaint. The evidence persuaded them that:

- Interactive had clearly disclosed its fees prior to the transfer from S.
- It'd fairly notified Mr M the fees were accruing on the account.
- Its terms allowed it to sell the trust's assets in these circumstances.
- The terms of the "Price Promise" excluded Trust M's account.

As Mr M did not accept our investigator's opinion, the matter's been referred to me.

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've reached the same conclusions as our investigator for largely the same reasons.

Mr M was first notified of the proposal to transfer Trust M's account across to Interactive in a letter from S in September 2020. There's no dispute that Mr M received this letter. The fee which Mr M subsequently complained about is disclosed at the top of the second page of this two-page letter.

When communicating information of this sort, firms are expected to do so in a manner which is clear, fair and not misleading. And I'm satisfied that, in my opinion, the standard has been met in this instance. Having received this letter, Mr M proceeded to consent to the transfer to Interactive, accepting its standard terms and conditions in the process.

I've reviewed Interactives terms, and I'm satisfied this entitles the firm to sell an investor's assets to pay its fees. As such, I'm not persuaded the firm acted unfairly when it sold Trust M's shares.

Having looked at the evidence, I can see Interactive was sending Mr M emails which referenced the charges accruing on the account. Mr M's acknowledged receiving these emails, but explained he dismissed them as seeming inauthentic. I'm satisfied however that, in sending the emails, Interactive has met with its obligations to communicate clearly and fairly about the trust's account. I cannot reasonably hold it responsible for assumptions Mr M made about the content of its emails, which I'm satisfied were clear enough in their messaging.

Lastly, I've also considered the terms of Interactive's promotional "Price Promise". The document which introduced this promise to Mr M makes it clear the promotion is subject to terms. And having read those terms, I'm satisfied the trust's account would be excluded from the kind of reimbursement Mr M is seeking as part of his complaint.

As a result of this, I'm not persuaded it would be fair or reasonable of me to uphold Mr M's complaint. I'm satisfied Interactive has met with its obligations here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M as a trustee of Trust M to accept or reject my decision before 4 April 2024.

Marcus Moore
Ombudsman