

The complaint

Mrs F is complaining about Skipton Building Society's (Skipton's) request for fees relating to initial advice given in 2019. She is unhappy with the way this has been handled and communicated, as well as other service issues.

What happened

Mrs F opened investment accounts with her husband, at a Skipton branch in 2019. The investments were with a third-party provider. Mrs F says she was under the impression that initial fees of £1,400 had been paid by her and her husband at that time.

In December 2021, Mrs F says she received account information by the provider which showed transfers in and out of her investment account, for the £1,400. Later that month, she says she was told that the fee had been taken for an "ad-hod adviser charge". They queried this with Skipton and say they were eventually told this was for the initial set-up fees.

Mrs F says the provider apologised in March 2022 and confirmed the money had been returned to the account. She says she queried a provider document in May 2022, which detailed the effect of the charges on the account in 2021 but didn't get a response. Mrs F says she then met with a Skipton adviser in August 2022 on an unrelated matter and was told the matter of the fees wasn't closed and that they would be attempting to claim the £1,400 once again. Mrs F complained, as did Mr F on a separate complaint.

Skipton responded to Mrs F. They acknowledged there had been issues and miscommunication with the collection of the fees. They said they shared responsibility of this with the provider and offered Mrs F £150 as compensation for the distress and inconvenience their errors caused (this was further to the £300 offered to Mrs F from the provider). However, they maintained that the initial fees were still outstanding.

Mrs F brought her complaint to our service for an independent review. Our investigator looked into it. She said that she was satisfied Skipton hadn't been paid for the initial advice. She felt the offer made for the miscommunication and errors Skipton caused, was fair.

Mrs F remained unhappy. She said the explanation for the errors wasn't sufficient and that the compensation amount wasn't enough. She also raised that she had to travel further than needed to a different branch to meet with advisers.

As no agreement was reached, the case has been passed to me for 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 think the offer made by Skipton prior to the case coming to our service, was a fair one. Let me explain why.

Firstly, I would like to empathise with Mrs F. This situation has been on going for her and her husband almost since inception nearly five years ago. They thought they had paid the initial fees and it was no fault of theirs that they hadn't. I can see the charge has been deducted and then reapplied several times.

I am satisfied with the explanation I have been given regarding the errors behind the collection of the fees. They were initially taken at the start of April and referred to in the transaction list now given to Mrs F as '*initial adviser charge*'. Skipton returned the amount to the provider however, due to an error in the initial application that the provider hadn't noticed and not corrected. The provider then incorrectly applied the amount to the investment account ('*investment deposit*').

The error was noticed by the provider in May 2019 and the fee paid out once again to Skipton. However, another error from the provider the following month saw it claimed back ('*initial adviser charge adjustment*'). The provider has said that the fee was then paid out again but from an incorrect holding (GIA cash). When they claimed it back, Mrs F had switched her investments into an ISA and so the amount was paid into the ISA account. The provider did attempt to pay this out, but realised (after Skipton had made them aware) that they were selling from the ISA without permission, and this could impact Mrs F.

From the evidence I have been provided with, the fee amount remains owing and was not deducted from the investment or ISA account. There is a catalogue of errors over a considerable amount of time. However, considering that Skipton are not responsible for most of these (and the provider has already paid out £300 compensation for their errors), I think the offer of £150 from Skipton is reasonable in the circumstances and sufficient for the impact their errors caused. This includes the impact of Mrs F saying she had to go to a different branch for meetings, other than her local one.

In summary, from the evidence provided to me, the initial fee amount is still outstanding. Skipton are acting correctly in still attempting to recover it. They have acted fairly in not accepting the amount directly from Mrs F's ISA investment. However, they have made errors and should compensate Mrs F for this. I think their offer of £150 fairly does this.

My final decision

My final decision, for the reasons set out above, is that the offer already made by Skipton Building Society is fair and reasonable in the circumstances. Skipton Building Society should pay Mrs F £150 if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 17 March 2024.

Yoni Smith
Ombudsman