

The complaint

Ms O complains that Financial Administration Services Limited (trading as Fidelity) failed to provide her with sufficient, and timely, information about the price at which some of her investments were sold.

What happened

Ms O holds investments with Fidelity in an investment account. At 2:20pm on 9 March 2023 she provided an online instruction to Fidelity for the sale of one of her investments. That sale was accepted on a “forward-pricing” basis so Ms O didn’t know at the time the price at which the sale would be completed. Since the instruction had been given after that day’s cut off for trading in the particular investment fund the sale price would be determined on the following day.

Ms O says that she checked Fidelity’s website around the time of the sale to get an indication of the sale price. And she says she checked the website the following day (a Friday) and over the weekend. She says that the price displayed on the website was unchanged over that time leading her to conclude that was the price that applied to her sale.

Fidelity says that there was a small change in the price of the investment that was correctly updated overnight on its website between Thursday 9 March and Friday 10 March. But it says that it faced some problems with the update due to take place at close of business Friday 10 March (that is the price that would apply to Ms O’s sale). It says that update wasn’t added to its website until 10:42am on Monday 13 March. Ms O says that she made some financial commitments over the weekend based on her reasonable expectation of the sale proceeds.

Ms O’s complaint has been assessed by one of our investigators. He thought that the sale had been priced correctly and in line with the relevant terms and conditions of the investment account. And he thought that any delays in the display of that price hadn’t influenced Ms O’s sale decision, or been as a result of something that Fidelity had done wrong. So he didn’t think Ms O’s complaint should be upheld.

Ms O didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Ms O and by Fidelity. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I think the basis facts behind this complaint are not disputed by either Ms O or Fidelity. Ms O provided her instruction to Fidelity after that day's cut off on 9 March. So the sale of Ms O's investment should be priced at the following day's price – the price as at the close of business on 10 March. And both parties appear to agree that the information on Fidelity's website, about the price on 10 March, wasn't updated until the morning of 13 March.

It doesn't seem that Ms O disagrees that her sale should be priced as at the close of business on 10 March. But she says the information Fidelity showed on its website reasonably led her to conclude that its pricing information had been updated to show that price, and that she made financial decisions based on that information.

I've looked carefully at the history of the changes in the price shown on Fidelity's website. That does show that the price was updated every day during that period. Although Ms O says that was no change shown between Thursday 8 March and Monday 13 March, I can see that the price did in fact change from 134.3 to 134.2 before falling to 129.0 the following day (although as I've said the display of that last update was delayed).

At the time Ms O gave her selling instruction it is clear that she would not have been aware of the price at which it would complete. That price could only be determined at the next pricing point that, since Ms O's instruction was after the daily cut off, would be determined the following day. I am satisfied, from the information Fidelity has provided, that Ms O's sale was correctly priced at 129.0, that being the price as at the close of business on 10 March.

I don't think it was unreasonable that Ms O would have been keen to confirm the price at which her investments had been sold. So she says that she monitored the price, and any changes, using Fidelity's website. As I have explained earlier, despite Ms O's memory, the published price did change during the period in question. But there was an extended period of time, from Friday 10 March until the morning of Monday 13 March, when the price wasn't updated. That led Ms O to conclude that the price had remained unchanged, and she therefore thought she was able to determine the consideration she would receive from the sale of her investments.

I understand why Ms O would have been very disappointed when she discovered on 13 March about the problems with the price update on Fidelity's website. But I don't see there is any requirement in the terms and conditions of the investment account for the regular provision of that information or the frequency of any updates. Fidelity has explained, to us and Ms O, that its supplier of the pricing information faced some technical problems on the Friday evening, so couldn't provide an updated price until mid-morning on the next working day (Monday 13th).

But Fidelity has an obligation to ensure communications are clear, fair and not misleading. This includes pricing information on its website, even if that data comes from a third party. Fidelity's obligation is to its client – in this case Ms O.

Here it's not in dispute that the fund price was wrong until sometime on 13 March. In effect, the pricing information on Fidelity's website was misleading. But I don't think it's important to the outcome of this complaint whether that was Fidelity's fault or the fault of the third-party supplier.

I say this because in order to decide what's fair and reasonable I need to consider the impact of that misleading information on Ms O. In other words, I've had to think about how reasonable it was for Ms O to take financial decisions based on what she saw on the website, as she says she did.

Within the terms of Ms O's account, when explaining "what price I'll get," it is explained that she will receive a trade confirmation showing the price at which she's dealt. And on the page on Fidelity's website showing fund prices, there is a note at the bottom saying that the third party does not warrant the accuracy or timeliness of the information.

So while I think Fidelity ought to have ensured as best it could that those prices were indeed accurate and not misleading, I think it had made it clear that they shouldn't be relied on. And that it was the trade confirmation which would give Ms O the information about what price she'd dealt at.

As a result I don't think it would be fair and reasonable for Fidelity to have to compensate Ms O for any loss or upset she may have suffered because the price on its website hadn't updated.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Financial Administration Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 8 March 2024.

Paul Reilly
Ombudsman