

## The complaint

Mr W complains that abrdn Investments Limited ('abrdn') gave him confusing information in relation to his investments when it decided to stop providing its service. He wants to be compensated for the impact on him.

## What happened

Mr W had an Investment Trust Saving Plan ('plan') with abrdn.

In a letter dated 29 June 2023 abrdn wrote to Mr W saying it had decided to stop providing the type of plan that Mr W had. It said Mr W had to decide by 31 October 2023 what he wanted to do with his investments. And his options were as follows:

1. He could allow his investments to be transferred to Interactive Investor which was part of the abrdn group.
2. He could transfer his investments to a different provider. Here abrdn said:

*'Please note that the new provider may not accept your investments which means that they would need to be sold and you may incur tax charges. You would be out of the market until you select another investment offered by your New Provider. The New Provider may also apply different charges. To initiate a transfer, please contact your New Provider and they will liaise with us to transfer your holdings to them. You need to contact the New Provider by 31 October 2023. Your current abrdn Investments Limited withdrawal fees will apply.'*

3. He could sell his investments.

Mr W complained to abrdn about the letter he'd received.

On 11 August 2023 abrdn wrote to Mr W in response to his complaint. In summary it said its letter of 29 June 2023 should've said more clearly that a transfer to a different provider could be done in-specie, which meant the investments themselves could be transferred without needing to be sold and converted to cash. And there would be no charge for the transfer if it was done in-specie. And the only transaction that would incur withdrawal fees would be a transaction that required abrdn to raise cash, by selling his investments or transferring them as cash. Abrdn apologised if this was unclear in its letter.

On 23 August 2023 Mr W wrote again to abrdn. He said his complaint was about the compulsory closure of his plan and the charges he would have to pay as a result of that. He said abrdn seemed to say Mr W wouldn't incur charges if he transferred to another provider. And he said abrdn's apology for unclear information wasn't satisfactory – abrdn should recognise that its first letter was wrong and misleading. He added that presumably another provider would apply charges.

On an unknown date in August 2023 abrdn sent a further letter to customers who hadn't responded to the previous letter about the forthcoming closure of the plans and the three

options available to plan-holders. Amongst other things the letter said, '*Your current abrDN Investments Limited withdrawal fees will apply if making a Cash Transfer to another Provider. We do not charge for in-specie (Stock) Transfers to New Products*'.

On 7 September 2023 abrDN replied again to Mr W. In summary it said:

- If Mr W chose to sell his investments or transfer them as cash, standard dealing charges would still apply because it would be Mr W's choice to sell – abrDN wasn't closing the investments themselves; it was merely closing the plans in which the investments were held. Mr W could have his investments transferred to Interactive Investor or another provider.
- A free option was to transfer his investments *in-specie* to another provider. The annual management charge would apply pro rata until the transfer to the other provider was complete
- If Mr W kept the investments and they were transferred to Interactive Investor or another provider, he would continue receiving dividends from the investments.

Mr W referred his complaint to this service. He said he wasn't happy about the way abrDN had managed the process, in particular giving him wrong information about whether he would be charged a fee to transfer his investments to another provider. He said if the letter originally had've said there was no charge to transfer to another provider then he simply would've done that. He wants abrDN penalised for giving him wrong information. He said it was only after he complained that he knew there wouldn't be a charge for transferring his investments to another provider. And his complaint was about the confusing information and the time abrDN took to clarify the information. He wasn't happy that it took two months for abrDN to clarify and apologise. He also said he'd suffered a financial loss by having to pay the fees of Interactive Investor which were higher than the fees abrDN had charged.

One of our Investigators looked into Mr W's complaint. He said abrDN had made a commercial decision to stop providing the type of investment plan that Mr W held. And it wasn't the role of this service to say whether it was fair or not for abrDN to make that commercial decision. The Investigator went on to say that the options abrDN gave Mr W were fair and reasonable.

Mr W didn't agree with the Investigator's view. He said abrDN had provided two versions of option 2 in its two letters – the 29 Jun 2023 letter which said '*current withdrawal fees would apply*' and then the further letter of August 2023 which said abrDN wouldn't charge for *in-specie* transfers.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

Before making this final decision, I issued a provisional decision. In that provisional decision I said I was minded not to uphold Mr W's complaint, but before making a final decision I would consider any further information either party provided in response to my provisional decision.

Mr W didn't agree with my provisional decision. In summary he said the following:

- AbrDN clearly gave wrong information which said that if he transferred to another provider there would be withdrawal charges.

- Abrdn admitted it provided wrong information. And it corrected the wrong information about two months later.
- I had absolved abrdn for providing wrong information. But providing wrong information was significant and in this case it could've cost Mr W money.

### **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'm not upholding the complaint. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

Mr W's primary concern is that abrdn gave him wrong information. The relevant information was this line from the 29 June 2023 letter: '*Your current abrdn Investments Limited withdrawal fees will apply*'. This information was included in the section of the letter that explained the option to transfer investments to another provider. It appears this caused Mr W to think he'd be charged a fee if he transferred his investments to another provider. But I don't think that's what the information said. And I don't think the information was incorrect. I'll explain why.

Firstly, the information was provided immediately after the explanation that if another provider refused to accept a transfer *in-specie* then the investments being transferred would be converted to cash. I think abrdn was saying that, if that happened – if the investments had to be converted to cash – then a fee would be charged. It didn't say a fee would be charged if the investments were transferred *in-specie*.

Secondly, the information refers to '*withdrawal*' fees. If Mr W's investments were transferred *in-specie* then he wouldn't be '*withdrawing*' his investments as defined in the terms and conditions. Withdrawal fees would apply to any withdrawals, but Mr W couldn't be charged a withdrawal fee if he didn't withdraw his investments.

Thirdly, the information refers to '*Your current ... fees*'. This indicates that the fees that applied were the fees set out in the terms and conditions that already applied to Mr W's account. The abrdn terms and conditions said customers who make *in-specie* transfers will pay only a pro-rata proportion of the ISA administration charge. So they won't pay an extra fee to transfer investments *in-specie*. This is consistent with what abrdn told Mr W in response to his complaint. I have no reason to say it's wrong information.

So, taking everything into account, I don't think abrdn gave Mr W wrong information. I can see how a customer who wasn't familiar with abrdn's terms and conditions might be confused by the part of the letter about which Mr W has complained. But abrdn already acknowledged that when it said it could have communicated the information more clearly to Mr W. And it has already apologised for that. I think the explanation and apology from abrdn were enough to put right the impact that any lack of clarity in the information had on Mr W.

Mr W said providing wrong information is significant. I agree that providing wrong information is significant. Amongst other things I've taken into account that regulated firms such as abrdn must provide information that is clear, fair and not misleading. And not doing so can have

significant consequences. In this case, abrdrn acknowledged that its information could have been clearer. I agree with that although I think the information was still correct.

Mr W also said the information could've caused him a financial loss. But I don't think it did cause him a financial loss. Although Mr W said abrdrn took a long time to clarify the information it had given him, it responded to his complaint within the timeframe allowed under the regulator's rules for complaint handling. It gave him a clear explanation in August 2023 and a further explanation in early September 2023. And, importantly, after receiving those explanations Mr W still had time to make an informed decision about what to do with his investments before the deadline of 31 October 2023. I haven't seen that, in the meantime, he took any action or suffered any financial loss as a result of the information abrdrn had given him.

Regarding the fees Mr W has to pay to his new provider, I can't say that unclear information from abrdrn caused any higher fees. And as our Investigator said, the decision to stop offering the type of plan Mr W held was a commercial decision abrdrn was entitled to make.

I fully understand that the closing of Mr W's plan and the necessity to make a decision about what to do with his investments was a significant event for Mr W. So I can understand his frustration over finding the information from abrdrn confusing. And I can understand he's not happy he had to pay higher fees with his new provider than he was paying with abrdrn. But, for the reasons I've given, I think abrdrn's explanation and apology were enough to put things right in relation to the confusion that Mr W experienced as a result of the way abrdrn presented information to him. And I can't say abrdrn has done anything wrong to cause Mr W to have to pay higher fees.

I hope Mr W understands the reasons for which I've made this decision. And I hope he'll see it as fair and reasonable in the circumstances.

### **My final decision**

For the reasons I've set out 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 W to accept or reject my decision before 18 March 2024.

Lucinda Puls  
**Ombudsman**