

The complaint

Mrs N complains that Financial Administration Services Limited ('Fidelity') closed an investment fund held in her Self-Invested Personal Pension ('SIPP') account and transferred the funds to a cash holding without telling her. Mrs N says she hasn't received any statements from Fidelity since 2016.

What happened

In January 2016, the growth fund Mrs N held in her Fidelity SIPP account was closed by the fund manager and the funds were later transferred into a cash fund. In early 2023, Mrs N, who is represented by her independent financial adviser (IFA), complained to Fidelity that Mrs N hadn't been told the fund had been closed and transferred to cash.

Fidelity said it had written to Mrs N and her IFA in January 2016 to tell them the fund would be closed, and that without further instruction the funds would be invested into a cash account. Fidelity explained that Mrs N had logged into her on-line account shortly after her account had been opened, and changed her email address. Because the email address was incorrect, Mrs N hasn't received any email correspondence. Fidelity said it had posted notification letters to Mrs N and her IFA before the fund was closed and didn't uphold the complaint.

Mrs N, represented by her IFA, brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator didn't think Fidelity had done anything significantly wrong. Mrs N asked that an Ombudsman decides the complaint.

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.

I understand that Mrs N will be disappointed, but for very much the same reasons as our Investigator I've decided not to uphold the complaint about the service Fidelity provided. I will now explain why.

When Mrs N created her account with Fidelity, she elected to receive email statements and other documents through her on-line account. Unfortunately, in this process Mrs N's email address was entered incorrectly. The screenshots provided by Fidelity persuade me that the email address was more likely than not entered by Mrs N, and not by a member of staff at Fidelity. Fidelity sent two email verification messages to Mrs N so that she could be given access to her on-line account but received no response. This is more likely than not because the email address was incorrect.

A customer has a responsibility to ensure they have access to an on-line account, especially if they've elected to receive all correspondence through the account. When Mrs N made Fidelity aware of the incorrect email address linked to her account in 2023, Fidelity took steps to correct this. But I've decided that it wasn't an error by Fidelity that prevented Mrs N from accessing her on-line account and the statements she'd elected to receive on-line.

Mrs N says that neither she nor her IFA received a notification from Fidelity that the fund she held was closing. Fidelity has provided a copy of the letter it sent Mrs N and the separate letter it sent to her IFA in 2016. Both of these letters have the correct addresses on them. Fidelity has provided additional screenshots that persuade me it sent the letters to Mrs N and her IFA – and other customers – when it became aware the fund manager intended to close the fund. I can't be certain whether Mrs N, or her IFA, received these letters, but I'm persuaded Fidelity sent them. So, I think it would be unfair for me to conclude Fidelity acted unreasonably when it wrote to Mrs N and her IFA to tell them this was going to happen.

Mrs N is concerned that Fidelity sent a letter when she'd requested all correspondence be issued to her on-line. I don't think it was unreasonable for Fidelity to write to Mrs N and her IFA – at the addresses it held – to provide notice that the fund in which Mrs N was invested was closing. I accept it could also have been posted on Mrs N's on-line account, but Mrs N didn't have access to this account, so I don't think this has had any impact on the outcome of this complaint as Mrs N wouldn't have seen it even if it had been posted.

Fidelity didn't provide financial advice to Mrs N. In this case it's important to recognise that Mrs N's investments were made through her IFA. Fidelity has provided a screenshot showing the platform used by the IFA records Mrs N's fund was transferred to cash in 2016. I empathise with Mrs N that her investment has remained in a cash fund since then, but taking into account the circumstances of this complaint, I've decided that Fidelity took reasonable steps to inform Mrs N and her IFA this was going to happen, and what would happen if it didn't receive further instructions. Because of this, I'm not persuaded Fidelity is responsible for any loss of investment performance Mrs N says she suffered as a result of the funds remaining in cash for a long time.

I've noted Mrs N's representative says there have been further communication issues with Fidelity. Mrs N hasn't complained to Fidelity about the issues that arose in December 2023, so I can't consider these in my decision.

My final decision

For the reasons I've provided above, I've decided not to uphold Mrs N's complaint about Financial Administration Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 8 April 2024.

Paul Lawton
Ombudsman