

DRN-4670541



The complaint

Mrs P complains that HBOS Investment Fund Managers Limited have failed to pay her share compensation.

Mrs P is being represented by her daughter, but for ease of reference I shall refer to Mrs P only throughout my decision.

What happened

Mrs P has held three investments with HBOS since 2004. One of these was surrendered in November 2013 and the other two in October 2016.

Mrs P says she received a letter from HBOS in December 2017 explaining she was due share compensation to the value of £60,000.

Mrs P says she took this letter into a bank branch that is part of the same group as HBOS in February 2018. She says she did so in order to make enquires into sharing the proceeds with her children. Mrs P says the bank retained the letter and agreed to pay the balance into a current account.

In November 2023, Mrs P complained to HBOS having discovered that this money was never received. Mrs P also complained that her Power of Attorney ("POA") had not been applied to her account correctly.

HBOS looked into Mrs P's complaint and partially upheld it. HBOS said it had received the POA on 12 July 2022, but it was rejected on the basis that the attorney identification documentation wasn't provided. However, HBOS made the decision the same day to accept the information, considering Mrs P's investments had previously been surrendered. A note was added to its system three days later and so it felt it had actioned the receipt of the PO within a reasonable timeframe.

HBOS said it had tried to trace the letter Mrs P referred to but could only find one letter that was sent in 2017 – a letter dated 15 May 2017 regarding a refund of yearly management charges on one of her investments.

It acknowledged that it could have provided clearer information to Mrs P regarding the letter she felt hadn't been provided and so it offered her £52 to compensate her for any distress and inconvenience caused, as well as covering her for the telephone calls she made.

Mrs P remained unhappy with HBOS's response as she was certain a share compensation letter had been sent. And so the complaint was referred to this service for an independent review.

In providing its file to the service, HBOS clarified the following:

- The letter explaining the reduction in management charges and the refund this incurred was sent originally in May 2017 and was reissued in December 2017.
- It felt this could have been conveyed to Mrs P more succinctly in order to prevent the confusion and distress caused and that multiple call back requests were not actioned. Given the length of time the complaint continued for and the poor service in relation to a vulnerable customer, HBOS agreed to increase the compensation to £100.
- It also offered to pay Mrs P's daughter £200 for the poor service provided in her pursuing the complaint on her mother's behalf.

One of our investigators considered Mrs P's complaint but felt HBOS's offer was fair and reasonable. In summary, they said:

- Mrs P had provided a bank statement from October 2017 which showed that she had a balance of just over £60,000 having surrendered two investments with HBOS in October 2017, as well as third investment with another provider that month.
- Mrs P has clarified that it was from this account that five £10,000 cheques were drawn for her children.
- Mrs P was under the impression the cheques were drawn from the £60,000 share compensation value, which is why the issue wasn't brought up sooner.
- They were satisfied HBOS had checked all avenues and that it had no record of a share compensation letter being sent in 2017.
- Without evidence of the letter, they were unable to say HBOS ought to have paid the share compensation amount Mrs P felt was missing.
- They were satisfied HBOS actioned the POA request in a reasonable timeframe.
- They felt HBOS's compensation offer fairly reflected the distress and inconvenience caused.

Mrs P didn't accept the investigator's findings, as she felt HBOS should have retained a record the letter. And so the complaint has been passed to me to decide.

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 appreciate Mrs P feels strongly that a letter was sent by HBOS regarding her share compensation entitlement. However, I must make my decision based upon the available evidence. And having done so, I've not been provided with any evidence to support that HBOS did send the letter Mrs P complains about.

Whilst I understand Mrs P is unable to provide a copy of the letter as she says the bank retained a copy of this, I'm satisfied there is sufficient evidence available to suggest a share compensation of £60,000 in relation to her investments wasn't due. I say this as HBOS has provided a transaction history for her investments which shows the amounts she paid in and received. The transaction histories show the following:

- The first investment was surrendered in November 2013 for a value of just over £5,000 and so this isn't relevant here.
- The second investment - Mrs P invested £18,200 between July 2004 and May 2009 and surrendered it in October 2016 for £33,331.82.
- The third investment - Mrs P invested £10,000 between July 2004 and January 2007 and she surrendered it in October 2016 for £17,891.

Having considered these, it's clear that Mrs P's investments had a surrender value of less than the £60,000 value she believes the letter referred to. Furthermore, the surrender values from October 2016 are the same values contained on the statement Mrs P provided and so this supports that Mrs P received the correct level of funds into her bank account.

HBOS has explained that it has no record of Mrs P holding any additional investments and so I'm satisfied Mrs P isn't owed any further payments from HBOS in relation to her investments.

On a final note, whilst I'm persuaded HBOS dealt with Mrs P's POA within a reasonable timeframe, I agree with the investigator that it could have communicated more clearly with Mrs P. I feel it would have been beneficial for HBOS to provide a full breakdown of all of Mrs P's investments as it has done for this service, as this may have clarified matters for her. However, I think the £100 offered fairly reflects any distress and inconvenience caused by the lack of clarity.

I appreciate HBOS has also offered £200 to Mrs P's daughter, however, as the complaint is regarding Mrs P's investments only, I'm unable to consider any award to Mrs P's daughter in this decision. If HBOS still wants to make this offer, then this will need to be arranged separately from this service.

Putting things right

Pay Mrs P £100 for the distress and inconvenience caused.

My final decision

My final decision is that I partially uphold the complaint for the reasons given above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 5 April 2024.

Ben Waites
Ombudsman