

The complaint

Mr S has complained about the service he received from Fidelius Ltd ('Fidelius'). He says Fidelius has not acted in accordance with their Wealth Management Service Agreement. To put the matter right, Mr S would like a refund of fees for the period November 2022 onwards to when the agreement was cancelled in July 2023.

What happened

Mr S had an ongoing service relationship with Fidelius. Mr S had raised a complaint with Fidelius previously and after bringing it to the Financial Ombudsman Service it was agreed Fidelius would refund fees for 2021. But Mr S raised a further complaint about the lack of service he had received from November 2022 onwards.

Fidelius responded and said;

- Mr S had met with his adviser on 24 November 2022 and a report was subsequently issued on 21 February 2023.
- That report detailed that the withdrawal from Mr S' pension had been increased from £6,000 to £10,700 to cover medical costs.
- And changes were to be made to the investments held within a second pension.
- Mr S had signed up for a service which provided an annual financial review which he had received. So Fidelius didn't uphold the complaint.

Unhappy with the outcome, Mr S brought his second complaint to the Financial Ombudsman Service. Our investigator who considered the complaint said the following;

- Mr S was sent documents in March 2023 for his agreement to sell funds which Mr S said this was in advance of his review so was without prior consultation. But Fidelius said the sale had been discussed in the November 2022 meeting and as referred to in Fidelius' review letter of 21 February 2023. The investigator accepted some confusion had been caused because the review had taken place three months before the documents were sent to Mr S, but Mr S hadn't agreed to the dealing instruction, so he hadn't been caused any financial loss or significant inconvenience.
- The investigator was satisfied that an annual review had taken place on 24 November 2022, and it wasn't just a discussion about Mr S' withdrawal. But there was a delay in confirmation that the withdrawal instruction was in hand. On 2 February 2023 Mr S instructed an increase in the withdrawal amount but the withdrawal proceeds weren't received until 10 March 2023. The delay in the issuance of the review letter and receipt of the increased withdrawal amount would have inconvenienced Mr S and a sum of £250 to reflect this was recommended.
- Mr S had been sent the analytical reports he had been promised, albeit with a three-month delay between the November 2022 annual review meeting and the review letter being sent in February 2023 which included those reports.
- Mr S was unhappy with the handling of his complaint but that wasn't a regulated

activity, however, the investigator thought the main complaint was about the detail in Fidelius issuing its review letter and instructing Mr S' withdrawal so was not linked to or dependent upon the complaint handling.

After further correspondence the investigator gave an updated opinion about the provision of the analytical reports. He was satisfied that Fidelius had agreed to provide Mr S with analytical data further to the information provided in February 2023 but there was no evidence it had done so. To put the matter right, he recommended that the total compensation be increased to £350 because of the inconvenience Mr S had been caused.

Fidelius accepted decision but was concerned Mr S was picking anything to try to increase the redress.

Mr S wasn't satisfied with the outcome, but our investigator remained of the opinion it wouldn't be fair or reasonable to ask Fidelius to refund the fees paid to him. As the complaint remains unresolved, it has been passed to me for a decision in my role as ombudsman.

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.

After doing so, I've reached the same conclusions as the investigator and broadly for the same reasons. I'll explain why.

As mentioned above, Mr S previously raised a complaint about other issues. I can't comment on that complaint in this decision which will deal solely with the complaint points Mr S has raised subsequent to his earlier complaint.

And I'm aware I've set out the background to this complaint in far less detail than the parties and I've done so using my own words. The Financial Ombudsman Service was set up to be a quick and informal alternative to the courts. And the purpose of this decision is to explain what I think is fair and reasonable in the circumstances, not to offer a point-by-point response to everything the parties to the complaint have said. So, I will not refer to every submission, comment, or relevant consideration. Instead, my decision sets out what I think are the most important points in order to explain my decision in a way that is intended to be clear and easy to understand.

For this complaint, Mr S is unhappy the sale instruction document was sent to him in advance of a formal consultation, the delay in the withdrawal from his pension, analytical data reports not being sent and lack of back up during his adviser's ill health.

As a background, I've outlined the timeline of the events from the documents I have on file;

- 24 November 2022 – Mr S' adviser – who I shall refer to as 'M' in this decision – emailed Mr S with 'attached valuations for both [pensions] and other documents to discuss during our meeting this afternoon...'
- 2 February 2023 – M had been unwell, and he emailed Mr S to confirm 'annual review and your income draw down'. He confirmed that the request for the £6,000 withdrawal request had been passed on and that;

'We will rebalance the remaining portfolios in the [two pensions] match the risk profile we discussed in our call on 24th November.'

Mr S responded on the same day to request the withdrawal be increased to £10,700

as soon as possible for medical costs. He went on to say that due to failure of the internet during their conversation;

‘you also promised to provide some more background regarding the performance of the portfolio which I have also not yet received. Could you also provide the latest valuations for both funds...’

- 20 February 2023 – Mr S chased M as he hadn’t received any paperwork regarding the withdrawal request.

M responded to say that the report was written and was being returned to his paraplanner team. And as Mr S had a draw down set up there should be nothing for him to sign.

The Financial Plan Annual Review report was dated 21 February 2022.

- 3 March 2023 – Mr S was emailed with a request for the withdrawal instruction, and he was asked to sign a dealing instruction in order for the stated trades to be processed.
- 7 March 2023 – Mr S emailed Fidelius to say he was still waiting the report and;
‘in order to discuss and evaluate prior to agreement for the sale of the existing funds. My assumption was that by returning a signed sell agreement you would then process this accordingly, thereby selling funds which I had not formally agreed to.’
- 8 March 2023 – M responded to confirm the income drawdown payment had been completed and to explain the advice about the proposed fund changes was in the report. Analytical data which he had requested about the current funds and the proposed funds’ performance had been requested.
- 10 March 2023 – The pension withdrawal amount of £10,700 was received by Mr S.

Provision of the Financial Plan Annual Review document

After the meeting held on 24 November 2022, the Annual Review wasn’t produced by M until 21 February 2021. It’s clear from correspondence that M had been unwell, and he apologised for that. I’m very sorry to hear about M’s ill health but I understand from Fidelius he didn’t have any sustained period of absence. However, and irrelevant of whether M was in the office or not, as Fidelius should have provided cover, I’m satisfied that Mr S should have received a follow up report further to the meeting of 24 November 2022 sooner than he did.

So, I uphold this element of Mr S’ complaint as I agree that the three-month delay was too long and there was a failing in the service that Fidelius had agreed to provide Mr S. Fidelius should make a financial award in recognition of that.

Pension withdrawal

And I am also of the opinion that the delay in the withdrawal of £10,700 took too long and caused Mr S unnecessary distress and inconvenience.

I say this because it’s clear the initial withdrawal of £6,000 was discussed during the meeting of 24 November 2022. The amount needed was updated by Mr S on 2 February 2023 to £10,700 and in that email Mr S asked for the funds to be sent as soon as possible as they were needed to pay for medical treatment for Mr S that had been identified in August 2022.

And after initially being told on 20 February 2023 he wouldn't need to sign anything for the withdrawal, Mr S was subsequently asked to do so on 3 March. After that, the funds were not processed until 8 March 2023 and received by him on 10 March, so I think Mr S was undoubtedly inconvenienced by these delays. It's clear the funds were needed for a specified reason and as soon as possible which Mr S wanted to proceed with.

It follows that I uphold this point and think Mr S should be awarded payment for the distress and inconvenience he was caused.

The lack of analytical data

The Annual Review document included Fund Factsheets and Key investor Information Documents that Mr S needed to assess whether the investment recommendations were ones that he was willing to accept.

But I note in M's email to Mr S of 8 March 2023 he said he had asked;

'...my paraplanner to provide the analytical data to map the performance of current funds to the benchmark and the new funds to benchmark...'

So, while the Client Agreement Mr S had with Fidelius may not have included the provision of analytical data over and above an annual review report, the above email message makes clear that in this instance this was to be provided to Mr S. And this was after the Financial Plan Annual Review letter had been sent, so further to the documents provided alongside that.

But this didn't happen. So, again I think Mr S should be awarded compensation to reflect the loss of expectation he suffered when he didn't receive the analytical data that had been promised.

The trade instruction

The instruction to sell and reinvest funds was sent to Mr S on 3 March 2023. Mr S responded to say that he wanted to discuss any potential changes which implies to me that the proposed fund switches were new to Mr S. But I think it's more than likely this had been discussed during the meeting of 24 November 2022.

I say this partly because N wrote to Mr S on 2 February 2023 and said;

'We will rebalance the remaining portfolios in the [two pensions] match the risk profile we discussed in our call on 24th November.'

And also because of the subsequent correspondence – the Financial Plan Annual Review document – produced on 21 February 2021 following the November 2022 meeting. The Annual Review document indicates that an annual review had taken place as it recorded details of Mr S' circumstances, investment objectives and investment risk discussion etc. It went on to recommend the (updated) withdrawal of £10,700 from one of Mr S' pensions and a switch of investments with six sales and two reinvestments within another pension.

So, I think it more likely than not that a discussion about the potential investment changes was had during the November 2022 meeting pending the recommendation formally being put forward by the adviser. But I do accept receiving the trade instruction document three months after the meeting of 24 November 2022 may have caused some confusion.

However, on 2 February 2023 the advised referred to the rebalancing of the portfolio which would suggest changes were being proposed and I note Mr S didn't take any action or accept the recommendation. So, there's no suggestion of any financial detriment to Mr S. Nor do I think any confusion that may have been caused would be sufficient to warrant an award.

Putting things right

Taking all of the above into account, its clear Mr S would have been inconvenienced by the delay in the provision of the Annual Review document as well as the payment of £10,700 which its clear he needed quickly. And Mr S didn't receive the analytical data that it had been agreed Fidelius would provide. So, I uphold these elements of the complaint and for these three issues I think an award of £350 to be a fair reflection of the distress and inconvenience Mr S suffered because of Fidelius' failings.

But I don't uphold Mr S' complaint about the trade instructions being sent to him. I've not been given anything to suggest that any confusion or annoyance Mr S may have experienced warrants any award.

In conclusion, I partially uphold Mr S' complaint. I appreciate that Mr S will be disappointed I haven't upheld his complaint any further than I have. It's clear he feels strongly about it, and I would like to thank him for the time and effort he has spent in bringing his complaint. But I hope I have been able to explain how and why I have reached my decision.

My final decision

For the reasons given, I partially uphold Mr S' complaint about Fidelius Ltd and Fidelius Ltd should pay Mr S as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2024.

Catherine Langley
Ombudsman