

## **The complaint**

Mr and Mrs F complain that Bastion Financial Planning Limited failed to act promptly on an instruction to sell their investments, which led to them incurring a loss.

## **What happened**

In 2022 Mr and Mrs F were planning the purchase of a new residential property. They'd discussed this with their financial advisers, Bastion, in February 2022 but communications around the issue picked up in April 2022 once they had arranged a mortgage.

On 28 April 2022 Mr F sent Bastion an email to explain that things were now moving and confirming that they wanted to sell and withdraw (around £440,000, which would be required for the house purchase) from various investments accounts they held.

Bastion began putting together a report to confirm the options available and its recommendation for how the withdrawals should be made. Over the course of the next few weeks the matter became increasingly fraught as Mr and Mrs F could see the value of the investments, which had already seen a drop stemming from the situation in Ukraine, falling further in value. By 10 May 2022 Mr F was questioning the whereabouts of the report and whether the sales had been actioned.

Correspondence continued and there was an issue with receipt of the report, which was dated 11 May 2022. On 15 May 2022 Mr F questioned whether he could log onto the investment platform and instruct the sales himself. Bastion responded to say that it would be simpler for it to carry out the trades and information was provided about timings relating to the sale trades. Mr F continued to question the process, stressing the urgency and confirming the date for completion of the purchase as 31 May 2022.

The sale trades were eventually made on 18 May 2022 with the proceeds paid into Mr and Mrs F's bank accounts on 27 May 2022.

Mr and Mrs F then complained to Bastion that it had unnecessarily delayed the investment sales and sought compensation for the loss in value incurred between 29 April 2020, when they had initially requested the sales, and 12 May 2022, the day following the issuing of Bastion's report.

This amounted to around £15,700. In short, they felt that the process of compiling the report had been unnecessary as it had been clear the only possible course of action was for all their investments to be sold. And further, in light of that, Bastion should've confirmed at the outset that they could've actioned the sales/withdrawals themselves directly via the investment platform. Had this been done the sales would've happened much sooner and the loss that incurred over the two weeks after the initial instruction to Bastion would've been avoided.

Bastion didn't agree that it had acted incorrectly in issuing the report. It said its regulatory responsibilities were such that it was required to properly research and document any recommendation. And it felt it had done so on this occasion in a timely manner.

It did, however, offer Mr and Mrs F £500 compensation as it felt the adviser could've explained sooner the option to deal directly with the investment platform, and also as there'd been some issues with Mr and Mrs F obtaining some insurance policy documents.

The complaint was referred to his service, but our investigator didn't consider it should be upheld, broadly for the same reasons as those given by Bastion.

Mr and Mrs F didn't accept the investigator's opinion, so the matter was referred to me to review.

I issued a provisional decision in which I explained why I shared the investigator's view that the complaint should not be upheld. I said, in part:

*"I'd say first that I do very much understand Mr and Mrs F's frustration with the situation. Clearly this was a stressful matter from the outset, with challenges in obtaining a mortgage offer prior to the point of engaging with Bastion to arrange the release of funds. And this was also all happening at a time during which world events were significantly impacting the value of the investments – hence the fall in value that's the focus of the complaint.*

*But I nevertheless don't believe that Bastion acted incorrectly in adopting the approach it did in response to Mr and Mrs F's need for monies from their investments. Bastion had advised them on the setting up on the investments and had created a portfolio commensurate with their attitude to risk. Mr F had a general investment account (GIA) containing around £216,000. They also had an ISA each containing around £150,000 and £110,00 respectively. Further, Mr F had a personal pension of around £365,000 which, given his age at the time, would've been accessible.*

*Mr and Mrs F needed around £440,000 to complete the purchase of the property. I accept that, given the structure of their portfolio, there was always going to be limited options for how the required money would be raised. But I don't think it was unreasonable for Bastion, as a regulated business, to want to treat the facilitation of the transactions as advice. It was important that disinvestment, particularly of the amount involved across several accounts, be treated with care in the same way as the original investment.*

*Mr and Mrs F have characterised their communication of 28 April 2022 as an instruction to sell. But looking at how it was worded I don't think it was quite as clear and direct as that.*

*The message from Mr F indicated that exchange and completion dates for the purchase were still being arranged and the formal mortgage offer was awaited. The message went on to say, "In the meantime, you can start the process of taking out all our investments, ISA and GIA for me and ISA for (Mrs F)". Mr F then said, "Saying this I have a few questions", which he went on to list. He then closed the message with "So I am happy to give you as much time as you need so we do damage limitations as much as possible despite the circumstances and if exchange of contracts has to wait then they will wait! How do we go from there? And happy to discuss if this helps."*

*I've quoted that initial email in quite a lot of detail because I think it's important to show that the 'instruction' of 28 April 2022 wasn't an absolute direction that all the holdings in the GIA and ISAs be sold with immediate effect. And the subsequent communication, while clearly showing a desire on the part of Mr and Mrs F to move forward quickly, acknowledged that the report was being put together.*

*The next communication regarding the sale of the investments appears to have been on 10 May 2024. Mr F was very concerned that the value of the investments had fallen further. Emails continued with a similar concerned tone and as noted, on 15 May 2022 Mr F raised*

*the possibility of him carrying out the sales directly on the investment platform. This was discouraged by Bastion and the sales completed on 18 May 2022, with the proceeds transferred shortly after.*

*Clearly, with hindsight, it can be seen that Mr and Mrs F would've benefitted from the sales being actioned sooner, to crystalise the values. While they were also unhappy with some other aspects of the service they received, the delay in the sales happening is principally why they've complained. But as I've said, I think the course of action Bastion chose in response to the 28 April 2022 message is what I would've generally expected to see from a regulated business.*

*I understand that it may feel like there were unnecessary, extended delays when looking back now at the process and the associated communications. But I don't think anything occurred that was wholly unreasonable. Ultimately the sales were made on the 13th business day after the email of 28 April 2022, which would generally be an acceptable length of time for this type of process.*

*I certainly wouldn't have expected Bastion to respond to the 28 April 2022 message by simply directing Mr and Mrs F to carry out the sales themselves via the investment platform. While I appreciate that Mr and Mrs F feel the request was a straightforward matter, not requiring advice, which should've been view pragmatically, in 'real world' terms, rather than restricted by regulation. But I don't think that's a realistic view in the circumstances.*

*Had Bastion taken such an approach, the sales been completed, and the money then not been required for an extended period (bearing in mind that the exchange and completion dates hadn't been agreed as of 28 April 2022) during which the markets had recovered rather than fallen, then that could've also led to a complaint, but of a different nature.*

*I've thought about whether Bastion should perhaps have highlighted the possibility of Mr and Mrs F acting independently as the matter progressed and the tone of Mr F's emails showed increasing concern. Or whether it should've been more pro-active when asked about the possibility of them selling directly on 15 May 2022. But ultimately I think this was an issue of market volatility, and I don't feel there was a point at which Bastion should clearly have acted differently in light of the circumstances at the time.*

*I note that in response to the complaint Bastion made an offer of £500, acknowledging that it could've told Mr and Mrs F sooner that they could make the sales directly (and, as noted, the offer also covered some issues relating to an issue with some insurance policies). As I've said, I don't necessarily agree that not mentioning the direct sale option sooner was a failing. So, I don't intend to direct Bastion to make that payment. But as it relates to other issues too, I would hope that it's an offer that would remain open to Mr and Mrs F to accept should they wish to do so.*

*In closing, I'd stress that I do understand why Mr and Mrs F now feel that the investments should've been encashed immediately, or them told to do so themselves. But looking objectively at the circumstances at the time I don't think Bastion acted incorrectly or failed to act on a specific instruction."*

Bastion responded to confirm it was happy with the provisional decision.

Mr F disagreed with my findings and expressed his dissatisfaction. But he provided no further information or comment concerning the merits of 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.

Having done so, I see no reason to depart from my findings as set out in my provisional decision. I remain of the view that the complaint shouldn't be upheld.

### **My final decision**

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 26 July 2024.

James Harris  
**Ombudsman**