

## The complaint

Mr P complains abrdn Investments Limited (abrdn) sold four investments he held without his final authority. He further complains abrdn sent the proceeds of the sales to him by cheque when he had asked abrdn to pay the funds directly into his bank account.

## What happened

Mr P explained abrdn wrote to him in June 2023 explaining it was closing four investment plans he held with it as it was no longer offering these products. abrdn explained there were three options available for investors, one of which was selling the investments.

Mr P explained he decided to sell the investments and wrote to abrdn on 10 August saying he wished to sell the plans and have the funds transferred to his bank account held with a third party bank and provided these details. Mr P also asked what the date of the sale would be and how the price would be determined.

Mr P said he received correspondence from abrdn explaining it had sold the plans on 17 August. He later received cheques in the post for the outstanding balances. Mr P said there was no mention of answering the questions he had asked in his correspondence about how the price is determined. abrdn wrote to Mr P on 25 August explaining it sold shares the day after receiving instructions, with the proceeds released three working days after that date.

Mr P complains he did not authorise the sale of the investments in his letter dated 10 August and had asked for the funds to be sent directly to his UK bank account, not in the post by cheque, which delayed access to the funds as he lives abroad.

Mr P said abrdn didn't contact him to verify his bank details before deciding to send the cheques to him. Mr P explained he had to post the cheques to his bank in the UK, which were deposited on 14 September.

Mr P has asked for the £48.00 withdrawal fees to be waived and for abrdn to pay 28 days interest Mr P calculates he missed out on because of the delay in depositing the cheques instead of transfers.

abrdn said it processed Mr P's request to sell all four investments the day after it received his letter on 16 August 2023.

abrdn confirmed it was unable to pay the funds from the sale into Mr P's bank account because it was unable to verify the bank details he had provided, explaining it used a third party reference agency to check the details. abrdn explained, if it can't verify the details, it's policy is to send out cheques to the registered address to avoid delays. abrdn also said it is not able to find out from the third party why it wasn't able to verify his details.

Our investigator thought Mr P had authorised the sale of his four investments in his letter dated 10 August and didn't think abrdn made a mistake in selling the investments. They therefore thought the withdrawal fees charged were fair and reasonable as abrdn provided Mr P with a series of options.

However, our investigator thought Mr P wasn't aware of the requirements for verification and had no opportunity to provide the correct information to verify his account. Our investigator

thought abrdn has caused unnecessary inconvenience and hadn't resolved Mr P's complaint fairly or reasonably.

Therefore, our investigator recommended abrdn pay £150 total compensation.

abrdn responded to say it disagreed with our investigator's recommendation. It referred to its terms and conditions pointing out the terms explaining it would send funds to customers registered address, explaining it could only send out funds from a sale of investments if it held 'verified' account information, again citing its terms and conditions which detail this.

As abrdn has rejected our investigator's recommendation, this complaint has been passed to me to make a final decision.

### **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 how strongly Mr P feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

### **Sale of investments**

The first part of Mr P's complaint is whether the letter he wrote to abrdn was an instruction for it to sell the four investment plans he held, or not. For clarity, I think it would be helpful to replicate Mr P's letter in some detail here. It says;

*Dear Sirs,*

#### ***Aberdeen Investment Trust Savings Plans – Closure***

*I refer to your letter of 29 June, as well as the recent reminder, and herewith advise that I have returned my instructions to [company]. Furthermore, I confirm I wish to sell the investments in the following plans:*

[lists four plans in question with account numbers]

*Please credit the sale of the investments in the above-mentioned accounts to the following GBP account in my name:*

[name of bank, UK sort code and account number]

*Kindly advise me by email (see below address) what the effective date of the sale will be, as well as how the price is to be determined for the sale of the investments?*

The issue for me to determine is whether it was reasonable, on balance, for abrdn to interpret this letter as an instruction to sell the investments, or as a request for further details before sale.

Mr P said, '*I confirm I wish to sell the investments in the following plans:*' this instruction was followed by '*please credit the sale of the investments...*'.

I think there are three elements here which persuade me this was an instruction to sell. Firstly Mr P has titled the letter '*Closure*', and '*confirmed*' he wanted the investments sold. Furthermore, this instruction is, to a reasonable extent, further established by the fact he provided details of where he wanted the proceeds of the sale to go.

Mr P said in his complaint letter to our service '*I asked them to respond to me by email on these two points so I could determine when would be the best time to proceed.*' Whilst I appreciate this indeed may have been the case, I unfortunately do not think on balance this was made clear in his correspondence above.

abrdn has a duty to undertake instructions it receives from customers promptly. I have carefully considered the context and wording of Mr P's letter, with reference to the above extracts. Having done so, I do not think on balance, there are any obvious caveats or clauses to this relatively clear instruction, which suggest Mr P wished for further information before the sale. I also do not think the phrase *'I confirm I wish to sell the investments ...'*, is ambiguous or open to interpretation, in summary, it appears to me to be a reasonably clear instruction.

I do appreciate Mr P asked for further information at the end of the letter. The first question asked was when the effective sale date will be. I consider this is a question of fact, which could be answered in due course and I do not think it is fair to interpret this as Mr P wanting or requesting abrdn to provide this information before sale.

The second question *'how will the price be determined?'* is also a question of fact and process. Again, for the same reasons, I don't think there is anything to suggest abrdn couldn't have answered this question post-sale or that the sale was dependent on an answer to this question.

I therefore don't think on balance either of these questions at the end of the letter reasonably cast enough doubt on Mr P's apparently clear instruction to sell the shares.

Therefore, having considered this carefully, I am persuaded abrdn's actions were reasonable and fair in deciding Mr P's letter was an instruction to sell the plans. I therefore do not uphold this part of Mr P's complaint.

Based on this decision, I also do not uphold abrdn should refund the withdrawal fees for the same reasons.

### **Sending cheques**

The second part of Mr P's complaint is regarding the decision to send cheques to him, rather than comply with his written instruction to send the funds to a UK bank account in his name.

Abdrn explained it had not *'verified'* the bank account Mr P had provided. abrdn said it uses a third party service to undertake an electronic check, or verification, of the account details in such circumstances, before sending funds. This process failed to verify Mr P's account details, so the proceeds of the sales were sent in the post by cheque.

In determining whether I think this was fair and reasonable, I have firstly considered the letter sent by abrdn to Mr P in June 2023 which outlined the following regarding to selling of investments option:

*'If you wish to sell your investments, please send a clear instruction signed by all account holders to the address at the foot of this letter. Your current abrdn Investment Limited withdrawal fees will apply.'*

This part of the letter is quite brief. There is no mention in this letter of any requirement to verify accounts or what provisions are required for the transfer of funds to the customer should they wish to sell. There is also no repetition, reference or link to the relevant terms and conditions abrdn has since cited. Interestingly, I note there were links and details provided in this letter for customers considering re-investing with a third party investment firm linked to abrdn.

This was a n important correspondence involving the possible closure of several investments. I am persuaded, on balance, this letter was an opportunity for abrdn to highlight requirements for the sale of the investments and the options available for the transfer of the funds and what customers needed to do to obtain funds via bank transfer, including verification. I can see it did this for one of the other options available.

Moving now to the terms and conditions. I appreciate abrdn has rejected our investigators recommendation based on its assertion its terms and conditions cover the circumstances in

question. To examine these, I have considered the part of the terms and conditions abrdn has referred to in its response. I understand the salient term to be:

*'For all withdrawals, net sale proceeds will be sent to you at your registered address...'*  
Followed by the next terms which clarifies, *'Where we hold verified UK bank details for you, we can, if you wish, credit proceeds directly to your bank account via BACS, within 3 days of the settlement date.'*

I am satisfied these terms and conditions do show it is indeed possible for customers to receive the proceeds of investment sales by bank transfer. However, the term 'verified' is not defined in the terms and conditions subsequently, I could not find any expansion of what this term means and whose responsibility it is to undertake a verification.

I have to consider what this term would mean to a customer and whether it is fair and reasonable to expect Mr P to have realised he needed to do more or there was a process over and above simply providing bank details.

Having considered the circumstances, abrdn's response and the relevant terms and conditions, I do not think, on balance, it was unreasonable for Mr P to expect the payment to be made to his UK bank account directly, or to be contacted if these instructions could not be accommodated.

In coming to this conclusion I have also considered, in these particular circumstances where products were closing, there were specific opportunities for abrdn to have considered whether this term was clear to customers and to have contacted or otherwise notified what 'verified' meant.

From a customer's perspective, I think on balance this appears to be relatively clear - Abdrn will send funds by BACS to a UK bank account within three days of sale. Mr P provided a UK bank account, and the information necessary to comply with this.

I don't think it was fair to expect Mr P to understand what verified meant from the limited information provided. I also think there was a very specific opportunity for abrdn here. Verification could have been explained in the letter sent in June but was not. For these reasons I agree with our investigator's recommendation for broadly the same reasons.

I understand abrdn's position in its detailed response to our investigator's view, and I would respond our service does appreciate it is not always possible to ensure terms and conditions cover all circumstances. However, having considered this submission carefully, I think the likelihood of Mr P being disadvantaged was reasonably foreseeable in his very specific circumstances as I have explained.

I also think, in this particular case, a degree of this disadvantage has occurred because Mr P lives abroad, which means, whilst this issue might not have the same impact for someone in the UK, for Mr P I am satisfied there was increased impact reflected in the award here.

For these reasons I uphold this part of Mr P's complaint.

### **My final decision**

For the reasons I have given, I require abrdn Investments Limited to pay Mr P a total of £150 compensation for the distress and inconvenience he has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 January 2025.

Gareth Jones  
**Ombudsman**