

Ombudsman determination

CIFO Reference Number: 16-000153

Complainants: [The complainant]

Respondent: [Company X]

It is the policy of the Channel Islands Financial Ombudsman (CIFO) not to name or identify complainants in any published documents. Any copy of this determination made available in any way to any person other than the complainant or the respondent must not include the identity of the complainant or any information that might reveal their identity.

This complaint concerns an investment switch conducted by [Company X], which the complainants say has cost them money.

Background

On 12 January 2016 [the complainants] sent an instruction for a switch to be made and say that [Company X] failed to execute the switch instruction in a timely manner. As a fair and reasonable resolution to the complaint, they sought reimbursement of USD \$5,245, which they say were the losses incurred as a result of the market movement after [Company X] failed to execute on time.

The switch instructions were received by [Company X] on 13 January 2016 and processed on 14 January 2016. However, one of the switches, for the [fund] did not conclude until 19 January 2016.

Findings

I have considered all the available evidence to decide what is fair and reasonable in the circumstances of this complaint. I have considered the process undertaken by [Company X] and the terms and conditions relating to the policy, particularly those concerning the switching of funds.

[Company X] have stated that, due to unit movements within the fund, the [fund] was sold and this was processed on 19 January 2016.

I am persuaded by [Company X's] assertion that underlying unit movements within the fund resulted in the delay. It is not possible to conduct a switch out of the fund when a premium is being paid. In cases where there are multiple funds, the premiums are applied in a specific order and until they have all been applied, the switch cannot take place. According to [Company X], this delay does not result in a loss to the investor because they

backdate the price accordingly. I am satisfied this is the case, as demonstrated by the 14 January 2016 price date for the [fund] on the switch statement dated 20 January 2016.

Therefore, I do not find [Company X's] actions to have been unreasonable in this regard.

Final decision

My final decision is that I do not uphold this complaint.

[The complainants] must confirm whether they accept this determination either by email to ombudsman@ci-fo.org, or letter to Channel Islands Financial Ombudsman, PO Box 114, Jersey, Channel Islands JE4 9QG, by **8 September 2016**. The determination will become binding on [the complainants] and [Company X] if it is accepted by this date. If we do not receive an email or letter by the deadline, the determination is not binding. At this point [the complainants] would be free to pursue their legal rights through other means.

If there are any particular circumstances which prevent [the complainants] confirming acceptance before the deadline of 8 September 2016, they should contact me with details. I may be able to take these into account, after inviting views from [Company X], and in these circumstances the determination may become binding after the deadline. I will advise both parties of the status of the determination once the deadline has passed.

Please note there is no appeal against a binding determination, and neither party may begin or continue legal proceedings in respect of the subject matter of a binding determination.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: _____