

**Ombudsman determination**

**CIFO Reference Number: 16-000115**

**Complainant: [Ms D]**

**Respondent: [Bank R]/[Investment Manager Q]**

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.<sup>1</sup>

This complaint concerns the management of investments. [Ms D] had been waiting for the 5-year period to expire to redeem her funds in the policy without penalty on 21 April 2015.

**Background**

[Ms D] states in her complaint that, because of delays and errors, it took until 7 October 2015 for her to receive the proceeds from her funds. According to [Ms D], the delay in getting documents to sign (6 August – 27 August 2015) caused the funds to drop in value. She is therefore seeking compensation for the amount that could have been redeemed if her requests were dealt with more quickly. [Ms D] further states that it never occurred to her that to redeem funds would take such a long time and, had she known this, she would not have invested with [Bank R] and [Company F's Policy].

**Findings**

I have considered all the available material - including the most recent representations from [Ms D] by email dated 3 June 2016 - to decide what is fair and reasonable in the circumstances of this complaint.

In order to uphold [Ms D's] complaint, I would need to be satisfied that there is sufficient evidence of the following:

1. [Bank R] provided advice to [Ms D] in 2009 and 2010 as to the suitability of [Company F's Policy] and that advice was not correct.
2. There was excessive delay in redemption of the funds.

Having carefully considered this matter I am unable to conclude there is sufficient evidence to suggest either to be the case for the following reasons.

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<sup>1</sup> Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

*Was there investment advice provided?*

A file note from an employee of [Bank R] dated 25 November 2009 describes a meeting with [Ms D] where she expressed a wish for recommendations to be made by [Bank R] as to a wide range of funds, diversifying these as much as possible.

However, by 13 April 2010, [Ms D's] position was described on the [Bank R] file note from that date. The file note described her telephone conversation with an employee of [Bank R] the day before and was signed by both:

*"[Ms D] has declined the recommendations and wishes to surrender her existing fund holding and reinvest into her own fund selection to be held within the overall portfolio."*

[Ms D] suggests in her email of 3 June 2016 that the signed file note of 13 April 2010 is incorrect. According to [Ms D], [Company F's] scheme was recommended by the Relationship Manager and the funds were also all recommended by him. She did not know how the file note came into being.

I cannot know for certain what was discussed at the time between [Ms D] and the representative of [Bank R], but based on the file note [Ms D] signed and the subsequent note of 15 April 2010 when [Ms D] met with the Relationship Manager, on the balance of probabilities I am of the view that some discussions may have been had regarding [Company F's] scheme. It does not follow this was being recommended to her; simply providing information is not the same as giving advice or making a recommendation. The file notes support this view. [Bank R] informed [Ms D] that the investments were not on their [approved] list and that no advice was given in respect of this. This is recorded in the 13 April 2010 file note, signed by both [Ms D] and an employee of [Bank R].

Therefore, I do not conclude [Bank R] provided advice about the suitability of the policy.

*Was there an unreasonable delay in redeeming the funds attributable to [Bank R]?*

In regard to the delay in redeeming the funds, I agree with the conclusions of the case handler and for the same reasons. The redemption of [Ms D's] holdings would take place when the valuation had been reviewed by her. [Ms D] wanted to wait to receive a statement of investments before proceeding, get a valuation and then look at investment options. As the case handler noted, [Bank R] were dealing with the redemption of a third party product and the request had to be submitted to [Investment Manager Q] rather than [Bank R]. Therefore, I note that, from [Ms D's] telephone conversation with her relationship manager at [Bank R] on 6 August 2015, to [Bank R] providing the valuation on 26 August 2015, was 20 calendar days. There was therefore no significant delay attributable to [Bank R].

I have also considered [Investment Manager Q's] additional actions at the subsequent stage of the redemption process. I agree with [Ms D's] assertion that the four funds are liquid with daily dealing but I consider it reasonable that reviewing a client request for a [Type X] Investment Account can take longer than the same process for client's with

regular shares. This is for the reasons set out by the case handler: all know-your-customer information must be checked, sale of holdings with separate third parties must take place, proceeds must be received, reconciliation of liquidation proceeds must take place and arrangements made for payment to the beneficiary account. I consider these steps to be a reasonable justification for the extra time taken to deal with the fund redemption (from when the required documents would have been sent to [Investment Manager Q] on 8 September 2015 to the proceeds being credited to [Ms D's] account on 7 October 2015).

### **Final decision**

I do not uphold the complaint in this matter.

[Ms D] must confirm whether she accepts this determination either by email to [ombudsman@ci-fo.org](mailto:ombudsman@ci-fo.org), or letter to Channel Islands Financial Ombudsman, PO Box 114, Jersey, Channel Islands JE4 9QG, by **4 September 2016**. The determination will become binding on [Ms D] and [Bank R] 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 [Ms D] would be free to pursue her legal rights through other means.

If there are any particular circumstances which prevent [Ms D] confirming her acceptance before the deadline of 4 September 2016, she should contact me with details. I may be able to take these into account, after inviting views from [Bank R], 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