



## Case study: Investments

### Overcharged Investment Fees

Themes: Discretionary investment management, fees and charges, deprivation of funds, professional rates

Mr K, a trustee, complained that Bank M had overcharged quarterly fees for the two discretionary investment portfolios it managed for a trust. Bank M had agreed to refund these overpayments, but Mr K said that two payments had been overlooked.

Our review of the documents showed that Mr K was correct, and so we asked Bank M to compensate Mr K for these additional amounts, which Bank M agreed to do.

The overpayments had not been discovered for some time, and the amounts were not insignificant at approximately £3000 each. We therefore considered that it would be fair and reasonable for Mr K's trust to be compensated for the periods in which it was deprived of the money.

We had no way of knowing how the money would have been used or invested, and so we applied a standard rate of interest at 8% per annum for each overpayment and asked Bank M to pay the trust compensation on this basis.

Bank M had already made an offer to compensate the trust for the time Mr K had spent on the matter, but Mr K claimed an additional amount to reflect an hourly rate for his time.

We did not consider that it would be fair and reasonable to calculate compensation on this basis, and concluded that Bank M's original offer in this regard was fair.

Both parties accepted our initial conclusions and the case was resolved without further escalation.