



## Case study: Investments/Funds

### DELAYED REPAYMENT OF COMPLAINANTS' INVESTMENT

Themes: Process and procedure; inadequate communication; entitlement to pro-rata dividend

This complaint related to delays in the complainants' receiving repayment of their investments from an investment bank, and a claim for a pro-rata dividend following repayment.

Mr & Mrs B held two investments with an investment bank. In late 2020, the investment bank wrote to all investors proposing that the fund be closed, and all investments repaid. The proposal was accepted, the fund was closed, and in December 2020 the investment bank tried to repay Mr & Mrs B their money. It did so by using the payment instructions it held on file for them – one payment by cheque, and the other (larger) investment by bank transfer. The cheque payment went through, but the bank transfer was rejected by the receiving bank. The investment bank subsequently issued a further cheque to repay the remaining investment amount.

After Mr & Mrs B received their money back, they made a complaint because they believed that – to avoid delays – the investment bank should have checked with them how they wanted their investment repaid. They felt they had been caused considerable inconvenience when trying to resolve the rejection of the bank transfer. Mrs & Mrs B also complained that they had expected to receive a pro-rata dividend on their investments in January 2021, because their money had been invested in the fund for most of the last quarterly dividend period. They believed the closure proposal had not been clear enough about this and that, if they had understood they weren't going to get a final pro-rata dividend, they wouldn't have voted in favour of the proposal. But the investment bank rejected their complaint and referred them to CIFO.

After Mr & Mrs B complained to CIFO, the investment bank offered them £500 as compensation for inconvenience caused. Mr and Mrs B initially accepted that offer, but then changed their minds. They continued to pursue the complaint with CIFO, requesting considerably more compensation even though the investment bank had by then already paid them the £500 that had been offered and accepted.

CIFO investigated and found that, before the investment bank had repaid Mr and Mrs B's money, it had asked them to check – and if necessary, update – the repayment instructions it held for them. Because they did not do so, CIFO didn't believe the bank had acted wrongly when it used the payment details it had to try to repay Mr and Mrs B's money. CIFO also noted that Mr & Mrs B had received the full value of their investments in accordance with the accepted terms with the closure proposition and did not accept that any further pro-rata dividend was due.

CIFO concluded that the £500 payment the bank had already made fairly reflected any inconvenience Mr & Mrs B had experienced.