

complaint

Mr and Mrs F complain that Old Mutual Wealth Life Assurance Limited's website wrongly claims that investors cannot switch money between funds after a plan is made paid-up. They say that while Old Mutual admits this is incorrect it has refused to amend this information or pay appropriate compensation for this long-standing and easily correctable error.

background

The background and circumstances of this complaint are set out within my provisional decision of 14 August 2017. A copy of this is attached and forms part of this decision.

Mr and Mrs F accepted my proposed compensation but provided examples of how they could potentially have suffered significant loss as a result of being unaware they could move money out of certain poor-performing funds. They also pointed out that Old Mutual had still not corrected its website, something which could cause other investors to suffer losses now and in the future.

Old Mutual accepted my proposed compensation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

For the reasons outlined in my provisional decision I believe Old Mutual should pay Mr and Mrs F compensation for the trouble and upset caused by the misleading information on its website.

my final decision

I uphold this complaint and instruct Old Mutual Wealth Life Assurance Limited to pay Mr and Mrs F £250 for the reasons previously outlined.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 2 October 2017.

Tony Moss
ombudsman

provisional decision

complaint

Mr and Mrs F complain that Old Mutual Wealth Life Assurance Limited's website wrongly claims that investors cannot switch money between funds after a plan is made paid-up. They say that while Old Mutual admits this is incorrect it has refused to amend this or pay appropriate compensation for this long-standing and easily correctable error.

background

Mr and Mrs F said they'd made their plan paid-up in 2014 and had assumed they could not switch funds from this date on as this was what Old Mutual said on its website. They only discovered this was not the case recently due to an unrelated query.

They said this misleading information had resulted in them staying in under-performing funds longer than they would otherwise have done but accepted it wasn't possible to backdate any switches now. They felt that Old Mutual should compensate them for this situation and inform other customers about this issue.

Old Mutual said that investors had been able to switch funds since the Retail Distribution Review in December 2012 but admitted it had not updated its website accordingly. It also admitted that its call handler had given Mr and Mrs F misleading information about this issue on during the first call.

It said, however, it had sent out a letter to investors five years ago, in 2012, informing them of the change; and it had seen no evidence Mr and Mrs F had wanted to undertake any fund switches and had been deterred from this by the misleading information. It offered them £30 by way of apology.

Mr and Mrs F did not accept this and brought their complaint to this service.

An adjudicator did not feel this complaint should be upheld. He recognised that Old Mutual had not been providing accurate information via its website but didn't feel he could arbitrate on how it chose to run its business. He also felt that Mr and Mrs F had received accurate information, originally via a letter, and then during two recent phone calls. He felt the £30 apology was not unreasonable.

Mr and Mrs F did not agree, saying it was completely unacceptable for a business to display misleading information on its website, especially when this had a material impact of investors' potential decisions. They reiterated that this misleading information had prevented them from acting to move money out of underperforming funds.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In this case, I completely agree with Mr and Mrs F's argument. I believe it is completely unacceptable to continue displaying the wrong information about investors' ability to switch funds for up to five years after this was no longer the case.

I don't believe that sending out a letter to investors some years ago prevented the potential damage in continuing to keep wrong information on the website. Firstly, until an investor's plan is made paid-up it is unlikely this issue will be of interest or require their detailed intention. So for those whose policies were made paid-up sometime after receiving the general announcement, it's unlikely that they'd be looking for this information from old correspondence. They'd be far more likely to check the current online information.

I think it is highly likely that some investors could've or would've acted differently if they were aware they could still switch funds after their plans had been made paid-up. They would, therefore, have materially suffered as a result of Old Mutual's failure to present accurate information on its website.

Mr and Mrs F have not presented any evidence as to what precisely they might have done had they been aware of the true picture, and they have not asked for compensation for any potential loss. So I have not considered this issue including awarding compensation for any such loss.

I don't doubt, however, that they might have made some switches and may have suffered as a result of not doing this. I am satisfied they have suffered significant distress and inconvenience as a result of this issue and believe Old Mutual should pay £250 in lieu of this.

I have reached this decision fully taking into account that Old Mutual informed them of this change in a letter a few years ago and corrected the first call handler's error quickly.

my provisional decision

I currently intend to uphold this complaint and instruct Old Mutual to pay compensation as outlined above.

Tony Moss
ombudsman