

## Ombudsman's Determination

Applicant	Mr N
Scheme	Fidelity Master Trust – BNP Paribas Section ( <b>the Scheme</b> )
Respondents	Zedra Governance Limited ( <b>the Trustees</b> )

## Outcome

1. I do not uphold Mr N's complaint and no further action is required by the Trustees.

## Complaint summary

2. Mr N complained that Fidelity did not provide him with timely information regarding the settlement periods of funds and failed to provide him with correct information on the deadline for receiving trading instructions. This meant that he did not instruct fund switches and missed out on a subsequent "equity market upturn".
3. Mr N states that this has caused him distress and his pension is almost £18,000 lower due to not being able to place switch instructions on 20 March 2020.

## Background information, including submissions from the parties

4. Mr N said that he was proposing to sell £60,000 of his holding in the BlackRock Cash Fund (**the Cash Fund**) and reinvest the proceeds equally between BlackRock's US and UK Equity Index Tracker Funds (**the Equity Funds**).
5. Mr N contacted Fidelity by telephone at approximately 08:00 AM UK time on Friday 20 March 2020, to ask about the dealing process for switching the funds. Mr N was informed that the process for selling and purchasing funds would take five to seven working days to complete, depending on which funds were being switched.
6. Mr N said that he thought this was too long for selling a cash fund and wanted to know the specific settlement period of the Cash Fund so he would have more certainty about when the reinvestment in the Equity Funds would take place. During the call he asked for this information to be confirmed.

7. The Fidelity representative agreed to find out the settlement period of the Cash Fund and telephone Mr N back as soon as possible. During the call Mr N mentioned that Fidelity's trading instruction deadline was 12:00 PM, and this information was not contradicted by the representative. Mr N requested to be telephoned back before the 12:00 PM deadline to allow him to instruct switches on 20 March 2020.
8. It subsequently became apparent that Fidelity's trading instruction deadline was 12:00 AM. This was confirmed to Mr N on 17 July 2020 in the Trustees' response to Mr N's complaint.
9. Mr N received an email response from Fidelity at approximately 5:12 PM UK time on 20 March 2020, which set out the accurate settlement periods, being one or two working days, depending on whether funds were managed by Fidelity or BlackRock.
10. As Mr N was residing in Hong Kong at the time, he received this email during the night. This information was also confirmed in a letter addressed to Mr N at his UK home address, sent on 31 March 2020. Mr N has said that he believed he had missed the Friday 20 March 2020 dealing deadline.
11. Mr N stated that he wanted to consider up to date market levels before instructing the switches, so he proposed telephoning Fidelity before 12:00 PM, as he believed that to be the deadline, on the day he wanted to switch. Due to work commitments, Mr N has said that he was unable to telephone Fidelity before 12:00 PM on Monday 23, and Tuesday 24 March 2020. He has said that he did not want to instruct the switches online, as he wanted verbal confirmation of the instructions from Fidelity.
12. By 25 March 2020, US and UK equity markets were higher than they were on 23 March 2020, and Mr N has said that he believed he had missed the market upturn and so did not follow through with the switches.
13. Mr N complained to Fidelity on 17 April 2020 and the Trustees on 26 May 2020.
14. The Trustees responded to Mr N's complaint on 17 July 2020, which was not upheld. The letter stated that Fidelity had responded to Mr N's information request in accordance with its expected procedure. It was standard practice for Fidelity to inform customers of switches taking five to seven days to complete. The specific information that he had requested for the Cash Fund was not standard information due to the large number of funds available and the range of different settlement periods, but he had been provided with the information he required on the same day as his request. Once in receipt of this information, he had the opportunity to instruct the switches, either on the same day, or soon after. The letter confirmed that the cut-off point for investment switch instructions was 12:00 AM UK time, on the date the instruction is received.
15. Mr N stated that if the Fidelity representative had given him the correct dealing deadline, he may have had time to telephone Fidelity on 23 or 24 March 2020. As Hong Kong was 8 hours ahead of UK UTC, the correct dealing deadline in Hong Kong time was 08:00 AM.

## **Adjudicator's Opinion**

16. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustees. The Adjudicator's findings are summarised below:-
- After asking Fidelity to provide the settlement information for the Cash Fund during a call at approximately 08:00 AM on 20 March 2020, Fidelity responded at approximately 5:12 PM on the same day. Mr N had asked for the information to be provided before, what he thought was, the trading deadline of 12:00 PM UK time and on the call the Fidelity representative confirmed they would come back to him as soon as possible. If Mr N had wanted to switch his funds on 20 March 2020, he could have chased Fidelity by telephoning again before 12:00 PM UK time, 08:00 PM Hong Kong time, but he did not. Although Fidelity did not meet Mr N's 12:00 PM expectation, they provided the response the same day as per the request, which was within its service expectations.
  - Given Fidelity's service standards and the fact that the representative needed to contact another team at Fidelity, its same day response time was reasonable for providing this information.
  - The Fidelity representative did not correct Mr N when he stated on the call that the trading deadline was 12:00 PM. The representative should have known the deadline and stated the correct one to Mr N. However, if the 12:00 PM UK deadline had been correct, Mr N still had sufficient time to instruct the trades on Monday 23 or Tuesday 24 March 2020. As Hong Kong was 8 hours ahead of the UK, the deadline for Mr N in Hong Kong would have been 08:00 PM, providing a reasonable opportunity for Mr N to telephone Fidelity and place instructions towards the end of the day and outside of normal business hours.
  - Mr N also had the option of switching funds online which would be expected to be quicker than making a telephone call, but he chose not to do so. The fact that Mr N incorrectly believed that the deadline was 12:00 PM, did not change the overall outcome of him not instructing switches on 23 or 24 March 2020.
17. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided his further comments, which are summarised below:-
- Fidelity gave out blanket misleading and incorrect information about switch timeframes. Switching timeframes are basic information and there are multiple ways in which Fidelity could ensure a simple question could be answered quickly and accurately.
  - It took four months for him to be informed of the 12:00 AM dealing deadline.
  - Due to work commitments, he was unable to telephone or place a switch online on 23 or 24 March 2020, and he had specifically set aside time to do so on 20 March 2020.

18. Mr N's comments do not change the outcome. I agree with the Adjudicator's Opinion.

### **Ombudsman's decision**

19. Mr N complained that Fidelity did not provide him with timely information regarding the settlement periods of funds and failed to provide him with correct information on the deadline for receiving trading instructions. This meant that he did not instruct fund switches and missed out on a subsequent "equity market upturn".
20. Fidelity responded to Mr N about settlement times on the same day as his request, which was within Fidelity's service expectations. I note Mr N's comments that there are ways to ensure this type of question is answered promptly and accurately. I do not think it unreasonable that the representative needed to contact another team for this information, and I find that Fidelity's same day response time was reasonable.
21. I agree that the Fidelity representative should have known the deadline and stated the correct one to Mr N. However, I do not consider that the representative failing to correct Mr N's understanding on the telephone call on 20 March 2020 amounts to maladministration which had a material impact. I acknowledge that Mr N remained unaware of the correct cut-off time until he received the letter of 20 July 2020. However, once the telephone call had been completed, there was no reason to correct Mr N's understanding until after he raised his complaint in April and May 2020. This postdates the period that Mr N has said he wanted to place the switch and would have been of little benefit to him for the purposes of this complaint at that time.
22. In my view Mr N still had sufficient time to instruct the trades on Monday 23 or Tuesday 24 March 2020 by telephone, or online, as Hong Kong was 8 hours ahead of the UK. Mr N thought the deadline was 08:00 PM Hong Kong time, giving him a reasonable opportunity to telephone outside of normal business hours. I note Mr N's comments that he was unable to do so due to work commitments.
23. In summary, I find that Fidelity provided the switching timeframes within a reasonable period and that despite Mr N incorrectly believing that the deadline was 12:00 PM, there was sufficient opportunity for him to have submitted the switch instructions on the days he wished to do so. I do not consider there to have been any maladministration on the part of the Trustees and so the matter of financial loss does not arise.
24. I do not uphold Mr N's complaint.

**Anthony Arter**

Pensions Ombudsman  
3 November 2022