

The complaint

Ms J's representative, her husband Mr J, complains on her behalf about the service she received from ITI Capital Limited, referred to as "ITI".

In summary, Mr J said:

- Ms J is unhappy that she couldn't monitor and deal on her online platform.
- ITI changed her British Pounds (GBP) Exchange-Traded Fund (ETF) to a US Dollars (USD) ETF without her permission or consent.
- She's unhappy about the poor service she's received from ITI including the poor communication.

What happened

ITI partially upheld the complaint. In summary, it said:

- The delays in onboarding and providing access to the trading platform was unacceptable.
- The onboarding documents have now been approved but the creation of Ms J's Phoenix trading account is still pending. Its account management is working to rectify this and get her access to her holdings as soon as possible.
- From 31 July 2020, the information available to Ms J – in relation to the composition of her portfolio – was inadequate and in some instances inaccurate. There was also an unreasonable delay in its communication with Ms J.
- Ms J's account has been specifically flagged to be looked at, especially in relation to the inaccurate holdings. This is a technical issue and not an issue of loss.
- It doesn't accept that Ms J suffered a financial loss as a result. Despite what she says, it hasn't seen any formal evidence that she wished to adjust any of her positions.
- By way of redress it offered Ms J £250 compensation for the distress and inconvenience caused.
- In the meantime, if Ms J wants to deal she can do so over the phone.

One of our investigators considered the complaint but didn't think it should be upheld. In summary, she said:

- Based on communication with our service, the issues regarding trading online hadn't been sorted. However, she's seen nothing to suggest that Ms J was trying to make a specific trade.
- Ms J querying with ITI about when the issue might be sorted, so that she could trade, isn't the same thing as being prevented from trading.
- Despite what Mr J says about the challenges of trading over the phone, Ms J could've contacted ITI to ask about the best time to place a trade.
- In terms of service, ITI accepts that Ms J has experienced problems accessing her account following the transfer from a third-party business to ITI.

- In the circumstances, the £250 compensation offered for the distress and inconvenience caused is broadly fair and reasonable.
- Although according to Mr J the problems were ongoing until December 2020, ITI confirmed that investors could transfer out from around November 2020, so if Ms J was still unhappy with ITI, she could've moved her holdings to another platform.
- Initially (in the absence of further evidence) she thought that ITI should switch the ETF Security (PHSP) – purportedly transferred into USD securities – back to GBP. But based on what ITI says, on balance she's satisfied that the ETF Security (PHSP) was already in USD currency when it was migrated from the previous platform to ITI.

Mr J disagreed with the investigator's view. In short, he says Ms J has never used USD equities with the previous provider.

The investigator having considered Mr J's additional points wasn't persuaded to change her mind. In short, she said she's satisfied that ITI has demonstrated that ETF Security (PHSP) was already in USD when it was migrated from the previous platform to ITI. She can only look at this further if he or Ms J is able to provide evidence to show that it wasn't. Despite previously asking for this, Ms J hasn't been able to provide evidence to show that this was the case.

As no agreement has been reached the matter has been passed to me for review.

What I've decided – and why

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

Having done so, I agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, I think ITI was right to uphold the complaint and offer £250 compensation for the distress and inconvenience caused.

I'm not persuaded that ITI prevented Ms J from trading or that it's responsible for any financial loss claimed. On balance, I'm also not persuaded that ITI converted Ms J's currency from GBP to USD.

Before I explain why this is the case, I think it's important for me to note I very much recognise Ms J's strength of feeling about this matter. Mr J has provided submissions to support the complaint, which I've read and considered carefully. However, I hope that he and Ms J won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr J, and ITI, and reach what I think is an independent, fair and reasonable decision based on the facts of the case.

In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. But it's for me to decide, based on the available information I've been given, what's more likely than not to have happened.

I understand that Ms J initially held her assets with a different provider. In August 2019, following intervention from the industry regulator the Financial Conduct Authority ("the FCA"), the provider went into administration.

I'm aware that in or around June 2020, ITI took over the previous provider's client books, and Ms J's assets were transferred over to it on or around 23 July 2020, when she (not unreasonably) expected things to be up and running.

I'm aware that the platform wasn't up and running, for months, during which Ms J couldn't access the platform and some of her valuations were incorrect. I note all she wanted was a date for when matters would be fixed so that she could take back control of her investment, but she couldn't get a straight answer from ITI.

It's not entirely clear the size of the books that ITI took over from the previous provider that went into administration. But it's likely that the new additional accounts and investments will have greatly affected ITI's capacity to deal with the additional customers and their requests. Based on what ITI says, it seems the issues with Ms J's account, in the main, arose out of technical issues.

I note that ITI now accepts responsibility for this, as well as the poor communication and service it provided Ms J. In the circumstances, and on balance, I think the offer of £250 compensation is broadly fair and reasonable. I'm satisfied that it reflects the time and effort put in by Ms J – assisted by Mr J – to try and resolve the issues.

Whilst I appreciate the time it took ITI to try and resolve the issues experienced by Ms J, it isn't reasonable to expect a business that provides an online service to guarantee that the service will always be available, as it can be affected by matters outside of its control.

The above notwithstanding, on the face of the evidence, and on balance, I'm not persuaded that Ms J was trying to make a specific trade but was prevented from doing so by the platform access issues, and I can't award redress based on hypothetical losses.

In other words, in this instance I'm not persuaded that Ms J is entitled to redress (for losses claimed) just because she experienced issues accessing the platform and viewing her holdings, for which ITI has accepted responsibility.

I appreciate that Ms J contacted ITI (or Mr J did on her behalf) to ask about when ITI might get matters sorted – so that she could use the platform again – but that's not the same thing as ITI preventing her from making a specific trade when ITI did provide an alternative method of trading, by phone.

I appreciate what Mr J says about share dealing over the telephone, and I note that Ms J had reservations. But the issues raised by Mr J seem to be more to do with the practicalities of trading over the phone, which ITI potentially could've assisted with, rather than not having the opportunity to do so at all. I'm not suggesting it would've been easier than trading online, just that it was an option available, should Ms J wish to trade.

I accept it isn't the same as online trading in terms of either convenience, or otherwise. But the option of using the phone isn't provided on the basis that it provides the same service as the online service. It is to allow customers the opportunity of carrying out a trade when they don't have access to the online service. I'm aware that in January 2021 Ms J placed a deal over the phone. I acknowledge she says it wasn't the best experience, but she could've done this sooner.

Despite what Mr J says, I'm aware that the alternative of using the phone instead of the online service is common with stockbrokers and I'm satisfied this is a reasonable alternative to the online service - when this isn't available.

Whilst I appreciate the problems with the platform were ongoing, I note from around November 2020, and possibly earlier, Ms J had the option to move her holdings to another platform, thereby minimising and/or mitigating the distress and inconvenience caused, but she didn't even though she says that she'd lost faith in ITI.

Whilst I appreciate Ms J's concerns about the ETF Security (PHSP) being (purportedly) transferred into USD securities, in this instance I'm unable to safely say that it was, or that ITI behaved unreasonably during this transfer.

Based on what ITI says, on balance it seems more likely (than not) the ETF Security (PHSP) was held in USD, prior to the take-over by ITI. So, it would be reasonable to expect that's how the transfer would take place. I note in addition to providing screenshot of the holdings on the day of the migration, ITI says:

"This was received from (the previous provider) on 23 June 2020, you will see that it was received and held on the account as USD".

Despite what Mr J says, in the circumstances, and on balance, I think it would be unreasonable to ask ITI to convert the USD to GBP. I'm mindful that despite what Ms J and Mr J say, neither have provided any evidence that the EFT Security (PHSP) was previously held in GBP.

The above notwithstanding, I note ITI also says:

"When the order was placed as per our best execution policy the correct market to settle was USD as there lacked sufficient liquidity in the GBP market. It is our policy that we will negate this should a client specify a preference and should the trade indeed even be possible.

Unfortunately, our IT staff cannot locate the specific call which this trade was made. If the client is able to provide sufficient evidence that a request for GBP market was made then I would be willing to investigate why best execution policy was not followed."

In the circumstances it appears immaterial whether (or not) ITI should've asked Ms J's permission about the migration in USD. Based on what ITI says, it seems that if Ms J wanted ETF Security (PHSP) in GBP she could've/should've made this clear to ITI.

I appreciate Ms J will be thoroughly unhappy I've reached the same conclusion as the investigator. Whilst I appreciate her frustration, I'm not going to ask ITI to do anything over and above the £250 compensation it has already offered/paid Ms J.

On the face of the available evidence, and on balance, I'm unable to uphold this complaint and give Ms J what she wants.

My final decision

For the reasons set out above, I don't uphold this complaint.

I think ITI Capital Limited's offer to pay Ms J £250 compensation is broadly fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 9 March 2022.

Dara Islam
Ombudsman