

## The complaint

Mr M complains that since the migration of his account – from a previous provider to ITI Capital Limited – he’s been unable to access his account, withdraw funds and/or manage his holdings.

Consequently, Mr M has had to borrow money from his brother, but was unable to repay it when he was expected to. This has caused him a great deal of upset and embarrassment.

Due to the ongoing account access difficulties, Mr M requested to transfer his account away from ITI. He says this process was delayed resulting in financial loss.

Mr M would like compensation for the financial loss and the distress and inconvenience caused.

## What happened

In early March 2020, I issued my provisional decision, a copy of which is stated below and forms part of my final decision. In summary, I said:

*“provisionally I’m minded to uphold this complaint.*

*On the face of the evidence, and on balance, despite what ITI says, I don’t think it behaved reasonably. I also don’t think its offer of redress is fair or reasonable in the circumstances. I agree with the investigator’s recommendation that ITI should pay Mr M £500 compensation for the overall distress and inconvenience caused.*

*However, I don’t think ITI prevented Mr M from trading his Petrel and Compass shares. In the circumstances, and on balance, I’m satisfied that he had the opportunity to do so but chose not to, and for that reason – following the same logic applied to the Kirkland shares – I can’t blame ITI for any losses he may have suffered.*

*Before I explain why this is the case, I think it’s important for me to note I very much recognise Mr M’s strength of feeling about this matter. He has provided detailed submissions to support the complaint, which I’ve read and considered carefully. However, I hope that he 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 M, 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 Mr M initially held his 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 as the new provider – appointed by the special administrator – and Mr M’s assets were transferred over to it in late July 2020, when he (not unreasonably) expected things to be up and running.

I’m aware that the platform wasn’t up and running, during which Mr M had limited access and he couldn’t trade online. I note that eventually Mr M, very sensibly, asked ITI to transfer his assets to another provider, which I think was reasonable in the circumstances.

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.

I note it’s suggested that ITI’s resources were much stretched. Based on what ITI says, it seems the issues with Mr M’s account, in the main, arose out of technical issues, although exacerbated by issues that I will consider in due course below.

Whilst I note that ITI now accepts responsibility for this, as well as the poor communication and service it provided Mr M, it’s not entirely clear if it agrees with the investigator’s view to award £500 compensation for the distress and inconvenience caused. But whether (or not) it does, for the record I think the investigator’s recommendation is fair and reasonable, for much the same reasons. I’m satisfied that this adequately reflects the time and effort put in by Mr M to try and resolve the issues, as well as the distress and inconvenience caused. I’m mindful that Mr M didn’t have full access to his account and had to borrow money from his brother – who he was unable to repay when required – who sadly passed away.

ITI could’ve accepted the ID documentation that Mr M re-supplied on 19 August 2020. But based on what ITI says, I think it did so despite clarity issues – without Mr M having to resupply any further documentation in the end – as an exception to the rule rather than the norm. It seems that the documents were still blurred but given the delays ITI decided to accept them.

I note that a change of email address in the middle of this troubled migration may possibly have impacted effective communication. Nevertheless, Mr M was entitled to change his contact details, and it’s not his fault if ITI failed to record it correctly and update its records.

I appreciate that ITI tried to assist Mr M, and that its resources were probably over stretched, nevertheless it failed to give Mr M full access to his accounts, and that was one of the main reasons why he chose to move his assets to a new provider. In the circumstances, I think it’s unlikely Mr M would complain to our service if he had adequate access to his account, and a lot sooner.

I note that because Mr M couldn’t access his funds, he had to borrow money to meet costs despite having approximately £200,000 in investments. I also note that his complaint was prioritised by our service, and ITI assigned a case handler who arranged the sum of £5,000 to be released on 3 December 2020. Again, I agree with the investigator that it’s unlikely ITI would need to do this if Mr M had access to his account since September 2020.

I note Mr M borrowed money from his brother, but unfortunately, he couldn’t pay the money back when required to do so because he didn’t have access to his funds. Sadly, Mr M’s brother passed away, and Mr M was left distressed, ashamed and embarrassed.

Whilst I appreciate 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, in this instance I still don't think ITI treated Mr M reasonably given its communication and length of delay.*

*In the circumstances, I think its offer of redress – in the sum of £75 – is inadequate. Given everything that Mr M has been through, I think the investigator's recommendation to pay him £300 is broadly fair and reasonable.*

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

*In other words, in this instance I'm not persuaded that Mr M is entitled to redress (for losses claimed) just because he experienced issues accessing the platform and viewing his holdings, for which ITI has accepted responsibility, and subsequent delayed transfer.*

*I note that to resolve the difficulties with his account, in September 2020 Mr M chose to move his assets to a new provider. I'm aware that this process was also subject to delays and not all his assets were transferred in December 2020.*

*I also note that despite what ITI initially said about the Kirkland shares, for reasons that remain unclear they were eventually transferred by ITI, therefore, these shares could've been transferred sooner.*

*On the face of the evidence, and on balance, I don't think ITI prevented Mr M from selling his Kirkland shares – and therefore it isn't responsible for any losses he may have suffered. This isn't just because Mr M didn't sell them soon after the transfer as suggested by the investigator – I appreciate pricing may have been an issue – but because Mr M refused to sell them when ITI offered him an opportunity to do so, on his behalf.*

*On balance I don't think the situation with the Kirkland shares is materially different to that of the Petrel and Compass shares for which she's recommended redress.*

*I'm satisfied that Mr M also had the opportunity to sell the material shares but decided not to. I also note he didn't sell them straightaway, but a month later. Whilst I appreciate everything else that was going on at the time, I also can't rule out that pricing was a factor, and that he had – like that Kirkland shares – an opportunity to sell but chose to wait for the transfer to complete first. For that I can't blame ITI.*

*In my opinion, Mr M refusing to sell the Petrel and Compass shares with ITI when he had an opportunity to do so – even though he'd lost faith in ITI – broke the chain of causation. I appreciate it was his choice to make, and it probably wasn't an easy one to make, but on balance, in this instance I don't think ITI are responsible for the consequences of his decision.*

*Had Mr M chosen to sell with ITI, and the sale was delayed, and he suffered a financial loss as a result, the circumstances would be different. Or, if Mr M hadn't been given any opportunity to sell his shares, and did so immediately after the transfer, that situation would also be different. But neither of those situations are what I'm faced with in this case and therefore I can't say that ITI wouldn't have been capable of the sale.*

*I'm satisfied that Mr M had an opportunity to deal over the telephone. I'm not suggesting it would've been easier than trading online, just that it was an option available, should Mr M wish to trade. I also 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 commonly to allow customers the opportunity of carrying out a trade when they don't have access to the online service.*

*Despite what Mr M 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 investigator's logic for redress, I also think it's based on numerous assumptions including that the delays are all down to ITI. But in the circumstances, and on balance, despite Mr M's reservations, I can't safely say that the sale of the Petrel and Compass shares wouldn't have gone through in a timely manner.*

*As I've mentioned above, on balance, I think the situation with the Kirkland shares and the Petrel and Compass shares are materially indistinguishable – in that Mr M didn't sell them when he had an opportunity to do so – therefore I don't think Mr M is entitled to any redress for this aspect of his complaint.*

*The above notwithstanding, I'm persuaded that Mr M is entitled to further compensation owing to the incomplete transfer, delays and apparent misinformation about the Kirkland shares. In the circumstances, and on balance, I think another £200 compensation for distress and inconvenience caused is broadly fair and reasonable.*

*I appreciate Mr M will be thoroughly unhappy that I've reached a different conclusion to the investigator. Whilst I appreciate his frustration, I'm only going to ask ITI to pay £500 compensation for the distress and inconvenience caused.*

*On the face of the available evidence, and on balance, I'm unable to uphold the claim for financial loss compensation and give Mr M what he wants."*

I gave the parties an opportunity to respond to my provisional decision and provide any further submissions they wished me to consider.

Mr M responded but didn't agree with my provisional decision. In summary, he made the following key points:

- Some of the points in my provisional decision aren't true. People have shared hundreds of pages of similar experiences online about ITI.
- He realised there was a problem with the email because he changed his internet provider whilst the administrator was sorting out the Selftrade account.
- He tried to contact the business as soon as he found out it had taken over the account. He'd ring, hold and get cut off – it was impossible to get through.
- The problem came not from it having an out of date email, but not having anyone to answer the phone.
- The documentation problem arose when he tried to switch accounts – until then it had never been mentioned. He tried to send what was required but the 'big problem' arose after ITI received a photo it deemed unsuitable but didn't contact him.
- It was only when he chased matters up that he realised that there was a problem. No one contacted him.
- At no point was he able to trade shares and because of this he lost money.
- After wasting hours on the phone to ITI he confirmed he didn't want to stay with them.
- He couldn't see individual shares that made up the account. Transactions were purely online, and he had no facility to do the transactions.
- He was never offered any facility to sell shares, and he's lost money because of it.

- Eventually, with the help of our service, he was able to withdraw £5,000 and pay his sister-in-law. The transfer took forever.
- The Kirkland shares were missing without explanation. He'll never know why that was the case.
- He was unable to access his shares for a long time and consequently he's lost a small fortune. The embarrassment it has caused him is incalculable.
- ITI took on a volume of work it was unable to deal with in terms of both manpower and infrastructure.

ITI also responded and accepted my provisional decision. In short, it reiterated its increased offer of compensation in response to the investigator's view over the amount I'd mentioned. It also confirmed that it didn't accept Mr M's claim for loss of opportunity. However, it wished to convey its sincere apology for any distress and inconvenience caused.

### **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, notwithstanding the latest submissions, my decision to uphold this complaint remains the same, for the same reasons as set out in my provisional decision.

In other words, I'm satisfied that no new material points have been made that persuade me to change my decision. In this instance I'm still satisfied that the key points remain the same, and have been considered by me, in my provisional decision.

That's why in recognition of the distress and inconvenience caused I still think ITI should pay Mr M £500 compensation. Despite what Mr M says, on balance, I think it's broadly fair and reasonable.

Whilst I appreciate 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, in this instance I still don't think ITI treated Mr M reasonably given its communication and length of delay.

Whilst I appreciate Mr M's recent response – including issues with email and not being able to get in touch – I'm still satisfied that the compensation adequately reflects the time and effort put in by him to try and resolve the issues, as well as the distress and inconvenience caused. I'm also mindful that Mr M didn't have full access to his account and had to borrow money from his brother who sadly died. I'm mindful that in due course he had to pay his sister-in-law, and the process took time.

I also appreciate that people have most likely shared stories online of their experience of ITI, but that of itself doesn't persuade me to change my decision. I'm only considering ITI's actions in relation to Mr M.

Despite what Mr M says, on balance I still don't think ITI prevented him from trading his Petrel and Compass shares. In the circumstances, and on balance, I'm satisfied that he had the opportunity to do so but chose not to, and for that reason – following the same logic applied to the Kirkland shares – I can't blame ITI for any losses he may have suffered.

In other words, I still think the situation with the Kirkland shares and the Petrel and Compass shares are materially indistinguishable – in that Mr M didn't sell them when he had an opportunity to do so – therefore despite what Mr M says, I don't think he's entitled to any redress for this aspect of his complaint.

As I said in my provisional decision, had Mr M chosen to sell with ITI, and the sale was delayed, and he suffered a financial loss as a result, the circumstances would be different. Or, if Mr M hadn't been given any opportunity to sell his shares, and did so immediately after the transfer, that situation would also be different. But neither of those situations are what I'm faced with in this case and therefore I can't say that ITI wouldn't have been capable of the sale.

The above notwithstanding, on balance, I'm satisfied that Mr M had an opportunity to deal over the telephone. I'm not suggesting it would've been easier than trading online, just that it was an option available, should Mr M wish to trade.

I appreciate Mr M will be thoroughly unhappy that I've maintained my decision. Whilst I appreciate his frustration, I'm only going to ask ITI to pay £500 compensation for the distress and inconvenience caused.

On the face of the available evidence, and on balance, I'm unable to uphold the claim for financial loss compensation and give Mr M what he wants.

### **Putting things right**

ITI Capital Limited should pay Mr M £500 compensation.

### **My final decision**

For the reasons set out above, and in my provisional decision, I uphold this complaint.

ITI Capital Limited should pay Mr M compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 April 2022.

Dara Islam  
**Ombudsman**