

The complaint

Mr B complains that he couldn't sell his shares through Equiniti Financial Services Limited ("EQi"), either online or by phone. And he says he couldn't contact EQi – it didn't reply to his emails, or answer the phone, and it didn't phone him as he'd requested

What happened

Mr B has an execution only share dealing account with EQi. On 24 February 2021 he wanted to sell some shares in a US exchange traded fund which I'll refer to as "A". He tried using the mobile dealing app a number of times, and for various volumes, but he couldn't get a quote. He managed to sell his holding over the following days but says he's lost around US\$30,000 because of price movements.

He says he didn't receive a reply to his request for an online chat; he gave up trying to call after 30 minutes; and that he didn't receive a reply to his emails.

EQi said valid quotes weren't found due to the requested volume or price not being available. It apologised for the difficulty Mr B experienced in trying to contact its helpline. It paid him £75 compensation for the time it took to clarify the matter. Mr B wasn't happy with EQi's response, so it investigated further. It said it wasn't liable for Mr B not being able to sell A shares on 24 February. But it accepted the level of information on its app could have been better – if Mr B had tried to trade online he would have received a "route to dealer" option which is not available on its app. It apologised and offered compensation of £750, in addition to the £75 already paid.

Our investigator didn't recommend that the complaint should be upheld. He concluded that EQi relied on the market maker, or makers, to provide quotes and that EQi wasn't liable for Mr B not receiving a quote when he requested one. He sympathised with the difficulty Mr B had in contacting EQi, but thought the compensation offer was fair and reasonable, and above that which would have been suggested by this service.

Mr B didn't agree. He said, in summary that:

- The service EQi received from the market makers was poor. It wasn't acceptable that he couldn't get a quote for even one share in a large fund.
- He sent eight emails to EQi and called twice but got no reply. There should be some responsibility on EQi to man its phones during US trading hours.
- EQi should put him back in the position he would have been in if he'd been able to sell shares on 24 February 2021.

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've decided not to uphold this complaint, for the following reasons:

In common with most trading platforms, EQi is reliant on price feeds from one or more market makers. I'm satisfied that Mr B's inability to get a price for his proposed sale was caused by the lack of a price from its market makers. I don't find EQi was responsible for Mr B not being able to trade.

EQi told Mr B the lack of a price was due to "*requested volume/and or requested price not being available*". And it told us this was due to "*market volatility*". I can see it didn't receive a particularly helpful email from its third-party pricing provider and it might have helped Mr B if he could have been given some more detail about why a price wasn't available. I can see that, on the day he was trying to sell, there was a record redemption from the fund. It seems most likely to me that this unprecedented situation was the reason for the market makers being unable to provide a quote for the sales Mr B wanted to place.

In the circumstances, I don't find EQi is responsible for the price unavailability that Mr B experienced. It follows that I can't order it to put Mr B in the position he'd be in if he had been able to obtain a quote.

Mr B tried to contact EQi by several methods. It apologised that Mr B experienced difficulties in contacting it. Although it noted that Mr B had phoned outside of its call opening times and that when Mr B did call during office hours, he only held on the line for just over six minutes. I appreciate Mr B feels that help should be available from EQi during US market opening hours. But this isn't a service that it offers, and I'm satisfied that it's published its phone line opening hours and that Mr B would reasonably have been aware of these before he agreed to open an account.

EQi recognised that its app didn't give Mr B the option for his deal to be routed to a dealer to execute. And it offered to pay him compensation of £750 because the level of information on its app wasn't the same as that on its online service. Mr B said it was aware the route to dealer facility was available on EQi's website but that he didn't want to leave an "at best" order. So it seems he wouldn't have used that service even if it had been available.

I appreciate how frustrating this experience was for Mr B. He had a large holding of A shares and he obviously wanted to take advantage of market movements to make a profit. But I can't hold EQi responsible for him not being able to sell when he wanted to. EQi paid Mr B £75 compensation and has offered to pay him a further £750. I find this to be fair and reasonable.

My final decision

My final decision is that Equiniti Financial Services Limited should pay Mr B £750.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 April 2022.

Elizabeth Dawes
Ombudsman