

The complaint

Ms A complains that AJ Bell Asset Management Limited didn't correctly act on her limit order instruction. She says AJ Bell was slow to correct its mistake and she was forced to sell investments at a price she wasn't happy with.

What happened

On 19 February 2021, Ms A placed a limit order to sell 250 units in a bond which I will refer to as "N". She wanted to sell at a price of £186 or better. AJ Bell sold the units, but at a price of £183.50.

AJ Bell said the order was wrongly executed at best. It apologised. And it arranged for the sale to be reversed.

In the meantime, Ms A placed an order to purchase some shares, using the proceeds from the sale of the bond. But, when AJ Bell reversed the sale of N units, this left her account in an overdrawn position. She says she felt forced to sell N units, at a price she wasn't happy with, to bring her account back into credit.

AJ Bell said it put Ms A back in the position she would have been in if the error hadn't occurred. The limit price of £186 would not have been triggered; the sale wouldn't have taken place; so it reversed the sale. It offered her £100 for the distress and inconvenience caused.

Our investigator thought AJ Bell's offer was fair and reasonable and that it didn't need to do anything more.

Ms A disagreed. She said, in summary, that:

- AJ Bell took over a week to rectify its error and it never communicated with her during this time.
- She was forced to sell N units at a price she wasn't happy with because of AJ Bell's error. She'd had the opportunity of selling at a higher price but was denied this because AJ Bell took so long to correct its mistake.
- AJ Bell told her there had been an inputting error. It was only in response to her complaint that it told her it had traded at best by mistake.

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 find I have come to the same conclusion as our investigator for the following reasons:

Ms A emailed AJ Bell on 15 February 2021 and asked it to phone her so that she could place the limit order. It was obviously disappointing that AJ Bell wasn't able to phone her as

requested. But AJ Bell has explained that it was experiencing high volumes of customer contact around this time and I don't find there was any obligation on it to respond to Ms A's request within an agreed timescale. Its service, as set out in its terms and conditions, allows Ms A to place orders online and by phone; its service doesn't extend to its dealers phoning Ms A to take her dealing instructions.

I can see Ms A called AJ Bell three times on 18 February. On each occasion she terminated the call before she was put through to the dealing desk. Whilst it may have been frustrating not to be put through immediately, I don't find the hold times – of three minutes 28 seconds; 52 seconds; and 29 seconds were unreasonable and I think Ms A could reasonably have held for longer if she wanted to trade.

I don't find that AJ Bell received a dealing instruction from Ms A until 19 February. I don't find it is responsible for not attempting to fill her limit order before it spoke to her on this day.

Ms A placed a limit order to sell 250 N units at £186. A limit order allows for a partial sale rather than the full order size being filled. For N, the minimum trade size was 250 units. AJ Bell explained that, to ensure the entire holding was sold, it gave instructions for a "fill or kill" order. Whilst it was trying to act in Ms A's best interests, a fill or kill order does differ from a limit order. AJ Bells' terms and conditions say that a limit order will be kept open for 90 days. Whereas a kill or fill order is cancelled if it is not immediately executed. I find this *could* have disadvantaged Ms A if her requested price had been reached after the kill or fill order failed to execute. But I don't find Ms A was disadvantaged because I don't find the price of £186 was reached before 10 March when she gave instructions to sell the units at best.

AJ Bell made a mistake when it changed Ms A's order. Instead of changing it to a fill or kill order as intended, it changed it to an "at best" order. So the sale was executed below Ms A's limit price. When Ms A brought this to AJ Bell's attention it corrected its mistake by reversing the sale, at no cost to Ms A. Ms A says AJ Bell should have paid her what she would have received if the sale had gone through at the price she requested. When a business makes a mistake, I would expect it to put the consumer back in the position they'd be in if the mistake hadn't happened. And I find AJ Bell did this. I don't find Ms A's limit of £186 was reached, so I don't find her order would have executed. In the circumstances, I think AJ Bell treated her fairly and reasonably by reversing the sale.

Ms A complains that AJ Bell didn't contact her to explain what it was doing to put things right. I find it acknowledged her on the same day she raised a query about the trade and asked her if she wanted to raise a complaint. It didn't hear back from her, so continued with its investigation. I don't find it took an unreasonable time for it to investigate what had happened. And I can see that it tried, unsuccessfully, to contact Ms A by phone on 1st, 3rd, and 4th March to discuss what had happened and what it was doing to put things right.

Ms A says AJ Bell told her the mistake was because of an inputting error. And it was only after she complained that she was told the sale had been wrongly executed at best. I think there was some confusion here. There was an inputting error - the amendment to a fill or kill order wasn't input properly. I've not seen anything to suggest AJ Bell told Ms A the sale price had been input incorrectly.

I fully appreciate why Ms A is disappointed that her order was completed incorrectly. But I can't order AJ Bell to put her in the position she'd be in if her order had been executed at the limit price she requested, £186. That's because I'm satisfied the price of £186 was never reached. And it wouldn't be fair to put her back in a *better* position than she would be in if AJ Bell hadn't made a mistake.

Ms A has provided details of a sale of N units that her friend placed on 3 March. But this was

at a lower price than £186. So this doesn't make a difference to my conclusion.

Ms A mistakenly thought that, when AJ Bell investigated what had happened, she would be credited with the difference in price – as if the units had been sold for £186. This meant she thought she had money available to invest. On 1 March she purchased some shares. Shortly afterwards, AJ Bell reversed the sale of N units which left her dealing account overdrawn. I accept Ms A acted in good faith, genuinely thinking the sale had gone through and that she had money available to invest. But this wasn't what had happened. I also appreciate this put her in a difficult position because she had to take action to correct the overdrawn position. But I'm satisfied that AJ Bell treated her fairly and reasonably in setting out various options for her, including reversing part of her purchase order at no cost to her, and without any tax implications. She chose instead to sell her holding of 250 N units.

It's clear from the sale of her friend's units, that Ms A could have obtained a higher price if she'd sold N units earlier than she did. But, as noted above, I'm satisfied AJ Bell did try to contact Ms A to discuss her account on 1st and 3rd March. It's unfortunate it wasn't able to speak to her. But I find it made reasonable attempts to do so.

AJ Bell's mistake caused Ms A some distress and inconvenience. But I'm satisfied it recognised this and apologised. And I find its offer of £100 is fair and reasonable in the circumstances.

My final decision

My final decision is that AJ Bell Asset Management Limited should pay Ms A £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 13 June 2022.

Elizabeth Dawes
Ombudsman