

## **The complaint**

Mr G complains Trading 212 UK Limited ("Trading 212") will not arrange for his shares to be registered into his own name.

## **What happened**

Mr G bought shares using his Trading 212 account. His shares are registered to a nominee and held in a pooled (omnibus) account maintained by Trading 212's broker.

Mr G asked Trading 212 to send him share certificates for his holdings. Trading 212 sent him a 'confirmation of holdings certificate'. Mr G wanted share certificates for his holdings but Trading 212 told him the certificate it had given him was all it could give him. A discussion followed about how Mr G could tell that the shares were there and were real.

Mr G later asked Trading 212 to have his shares registered into his own name. Trading 212 told Mr G this wasn't an option it offered as part of its service, so it wouldn't arrange this.

Mr G has said Trading 212 would have to transfer the shares to the new owner if he sold them, so it must be able to transfer them into his name. Due to Trading 212's unwillingness to do so he said he had doubts as to whether the shares existed - as there weren't any share certificates, he couldn't transfer the shares, he wasn't able to vote, the shares weren't in his name, there wasn't a control number and all he had was Trading 212's promises and the certificate it had sent. Mr G said he didn't accept Trading 212's confirmation of holdings certificate as being genuine confirmation that it held a certain number of shares for him.

Mr G brought his complaint to us. Having considered Mr G's complaint, our investigator didn't think it should be upheld.

Our investigator's thoughts were, in brief:

- Mr G's shares were held for him by Trading 212 as shown on its system and in line with its terms. Mr G accepted these terms when he opened his account. The shares couldn't be transferred to Mr G's name as this isn't a service Trading 212 offered. The shares were held by a third party for Mr G as the beneficiary. Trading 212's set up didn't allow the shares to be registered in Mr G's name or held in another way. He could transfer elsewhere but Trading 212 didn't offer transfers of shares (in-specie) - any transfer would have to be made as a cash transfer (after selling the shares).

Mr G didn't agree with our investigator's conclusion.

Mr G provided further thoughts on the matter. These were, in brief summary:

- He did not wish to do business with Trading 212 and it was refusing to give him his shares. He did not wish to transfer to another broker, he wished for his shares to be registered to their owner. The shares were held with a broker that did offer this as a service – Trading 212 was being purposefully difficult and refusing a simple request. Either he owned the shares or he didn't, and if he did he should be allowed to retain

them with or without Trading 212 – if he couldn't then he never owned the shares.

- Not enabling him to have his shares put into his own name and have a share certificate (but sending him a confirmation of holdings) was like selling him a house, refusing to let him move in or access the deed but offering to send him a photocopy of the key. Forcing him to sell his shares to sever ties with Trading 212 was theft, like taking a car without asking but leaving a £20 note as payment.

Neither our investigator nor Mr G altered their respective views. So, as the complaint couldn't be resolved informally, it has been passed to me to decide.

### **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 come to the same conclusion as our investigator. I don't think Trading 212 did anything wrong here. I'll explain my reasons briefly.

I've thought carefully about all Mr G's points, including those I've outlined above. I don't overlook that the registration service Mr G wishes Trading 212 to perform is a service that relates directly to how Mr G's ownership of his shares is evidenced and given effect. But I don't agree that Trading 212 not enabling Mr G to have his shares registered into his own name means his shares haven't been bought for him or he isn't the real owner of the shares. Mr G is able to buy and sell the shares and to withdraw or transfer the sale proceeds.

Mr G signed up with Trading 212 on the basis that in some circumstances the service would limit what he could do with shares he bought within the service. For example, Trading 212's terms make clear transfers of shares in specie – in or out of Trading 212 – was not a facility it offered. So if Mr G wished to leave Trading 212's service and move to a different service, he wouldn't be able to transfer his shares – he would need to sell them and transfer the cash instead. In my view it was open to Trading 212 to offer its service to Mr G on this basis, just as it was open to him to decide whether or not he wished to sign up for it on those terms. In my view the reorganisation of the registration of shares Mr G requested is similarly a service that it was open to Trading 212 to decide whether or not to provide to its customers.

From what I've seen of its terms, Trading 212 made clear that shares bought for Mr G would be registered in the name of a nominee and pooled with those of other clients and he would be able to trade the shares electronically. I've seen nothing in Trading 212's terms that offers or explicitly suggests it will agree to reorganise the registration of shares into a shareholder's name. Mr G hasn't in the course of this complaint pointed to any misleading representations of that kind Trading 212 made to him. So I've nothing to make me think Mr G was misled into signing up with Trading 212 by any false promises it made about offering this sort of service. If he'd looked at the start into how to go about requesting this service from Trading 212, how it might work and what it might cost, he would have found it wasn't a service it offered at all.

I don't overlook what Mr G says about the ownership and registration of the shares having to be changed by the broker when they are sold anyway. But I'm also mindful that Trading 212 offered trading on a nominee basis only and specifically said it would not transfer shares in kind to other services – so a change in the registration arrangements and a transfer of the shares in kind to new custody or trading arrangements of Mr G's choosing, whatever those might be, would on the face of it involve Trading 212 in administrative arrangements and processes of a kind that it had specifically either chosen not to offer or said it wouldn't offer. These processes also do vary somewhat from the nominee services it did offer. So I don't agree Trading 212 was refusing a simple request or being purposefully difficult. All this reinforces my view that it wouldn't be fair and reasonable for me to require Trading 212 to carry out that service now.

In light of all I've said above, I don't find Trading 212 to be at fault.

I'm grateful to Mr G for his patience and courtesy throughout our consideration of his complaint - and for his points and prompt responses, which greatly assisted our inquiries.

### **My final decision**

For the reasons I have given, and in light of all I've said above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 January 2023.

Richard Sheridan  
**Ombudsman**