

The complaint

Mr C complains about the way Interactive Investor Services Limited (II) handled the transfer of his stocks and shares ISA to its platform.

What happened

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

In February 2021 Mr C requested a transfer of his ISA from another provider to II. At the time II proposed the transfer take place in the last week of February, however, it completed in mid-May – an additional 11 weeks later.

Unhappy with the delays, Mr C complained. II considered the complaint but it said that it had responded to the other provider in good time. Mr C disagreed with II's findings, so he referred the matter to our service.

Our investigator looked into Mr C's complaint. He gathered a detailed timeline of events and found that whilst there had been an initial error by the other provider, contrary to II's submission that it had been given the information it needed on 17 May, he'd seen evidence to indicate it had all it needed on 8 April. As II didn't update Mr C's account information until mid-May, further attempts to transfer the ISA failed resulting in a delay. The investigator recommended that II pay Mr C £150 compensation. II accepted but Mr C didn't. Mr C felt that he has lost opportunities to invest and he'd experienced stress and inconvenience.

As an agreement couldn't be reached, the complaint has been passed to me to make a decision.

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.

But having done so, I've reached the same conclusion as the investigator.

I appreciate Mr C has found this a frustrating experience. It's clear II didn't handle the ISA transfer in the way it should have done once it received the correct information on 8 April 2021. This resulted in an avoidable delay of approximately four weeks and Mr C having to repeatedly contact both II and the third party to seek updates

Mr C says II should compensate him for both lost investment opportunities amounting to £5,000 as well as pay him £500 compensation to match the figure the other provider has given for stress and inconvenience caused by the delays.

I've looked at all of the evidence and taken into account Mr C's submissions. While I do accept the II's actions fell short of the standard I'd expect, with regards to the delay in transferring his ISA account, I can only ask II to put things right where there is evidence of

an actual loss for which it is responsible. But there's no evidence when Mr C was chasing that he was intending to sell his shares. If that was his intention, I would have expected him to provide evidence to support this during the delay. So, it follows that in this instance, I can't ask II to compensate for hypothetical losses.

However, I do think that II should pay Mr C some compensation for the period it caused a delay. I agree with the investigator that it should pay £150. I say this because II was responsible for four of those additional weeks of delay. That did cause Mr C some inconvenience, particularly given the number of messages and calls. So, I think that £150 is reasonable compensation for the trouble and upset this delay caused.

Mr C says that II should match the compensation the other provider has paid. But as the investigator has explained, our service makes its awards based on we find to be fair and reasonable in all the circumstances of this case. And here, I think the award of £150 adequately compensates Mr for the distress caused by II's handling of the transfer.

My final decision

I uphold this complaint. Interactive Investor Services Limited must pay Mr C £150 compensation for the distress and inconvenience it caused him by delaying his ISA transfer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 July 2022.

Farzana Miah
Ombudsman