

The complaint

Ms W has complained about the time it has taken to transfer her account and the service she has received from ITI Capital Limited ('ITI') when her accounts were migrated over from a previous firm.

What happened

In July 2020 Ms W's accounts – a trading account and a stocks and shares ISA – which she held with a previous firm and which had gone into administration, were transferred over to ITI. Ms W didn't want to hold her portfolio with ITI and gave instructions to transfer her accounts.

Ms W wanted her two accounts to be transferred to three different recipient firms who I shall refer to as 'Company A', 'B' and 'C'. The trading account was to be transferred to Company A and the ISA split between Company B and Company C in order to spread the risk of having a considerable sum with one broker.

After the transfer to ITI Ms W was promised access to her accounts by 23 July, but this didn't happen. She wasn't able to access her accounts online, ITI didn't answer any complaints raised via its online ticketing system, responses to emails took weeks, and ITI couldn't tell her when she would have access to her savings.

Ms W complained to ITI on 29 August. In ITI's response to her complaint on 23 October it said;

- It accepted the onboarding process, access to the trading platform and communication had been unreasonably delayed. It apologised if Ms W felt her investments were at risk.
- The information Ms W had been given about her portfolio was inadequate or wrong and the lack of provision of information Ms W had asked for was unacceptable.
- It outlined how it was putting the matter right – trading on both accounts would be available and it provided the history of Ms W's accounts.
- It gave details of the delay in the transfer of Ms W's assets and that it had a backlog of work because of many transfer requests.
- It offered £250 for the inconvenience and/or distress caused.

Ms W wasn't happy with the response and brought her complaint to the Financial Ombudsman. In response to some questions asked by our investigator who was considering the complaint she told us;

- She never managed to access her accounts. Shares either weren't shown, or incorrect amounts and prices were shown.
- The transfer request for her trading account to Company A was made on 30 July 2020 and completed around 15 December. Ms W told us her holdings appeared on her account with Company A on 1 December, disappeared the next day and

reappeared on 8 December and disappeared again on 14 and returned to her account shortly after.

- The partial transfer of her ISA to Company B was requested on 5 August and completed on 30 September. Cash was received later which she could only assume related to a dividend payment.
- The second partial ISA transfer to Company C was never successfully completed by ITI. This was a high value holding – Ms W says of around £300,000. Without reason it was transferred to Company B on 28 October. She asked for Company B to return it to ITI which happened around four weeks later. The holding was again transferred to Company B without instruction from Ms W on 14 December. Rather than return the holding to ITI, it was transferred to Company C from Company B in March 2021.
- Overall, the onboarding process didn't work, Ms W wasn't able to trade and the transfer process was prolonged and stressful. She thought the offer made by ITI of £250 was derisory and she didn't wish to accept it. The transfers were still to complete.

The investigator who considered the complaint thought that it should be upheld. She said;

- The service provided by ITI fell well below what was to be expected from a regulated business. Ms W had been caused inconvenience and worry by the lengthy transfer delay.
- ITI had twice and without instruction, incorrectly transferred Ms W's large ISA shareholding to Company B instead of Company C during which time Ms W hadn't known the whereabouts of this large shareholding.
- Overall, the investigator recommended a payment of £450 be made to Ms W.

ITI told us it had dealt with transfers to Company B on many occasions and had evidence confirming Company B accepted the transfer on 22 September 2020 for the large shareholding. It said Company B could not have accepted the transfer without the Ms W's consent.

In response Ms W said Company B didn't have instruction to receive the shareholding. And because of the confusion between ITI and Company B her large holding was with neither of them for a month. Even though she had wanted a higher award than recommended by the investigator she would accept it.

As the complaint remains unresolved, it has been passed to me for a final 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.

After doing so, I broadly agree with the conclusion reached by the investigator and I'm going to uphold the complaint. I don't think ITI has behaved reasonably, however I think the £450 compensation recommended is broadly fair and reasonable.

I very much recognise Ms W's strength of feeling about her complaint. It's very clear she is, and has been, extremely frustrated and stressed by the process. I've considered the submissions she has made very carefully.

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 have taken into account the testimony and evidence provided by Ms W, but I have very little evidence or information from ITI to consider.

Transfer of the trading account to Company A

The transfer took over four months to complete. And Ms W has told us of the additional worry of her shareholdings appearing in on her account with Company A at the beginning of December and then disappearing twice before they were eventually returned to her account. Clearly, I can't know why Ms W's shares disappeared and then reappeared – whether this was just an IT error as an example. But this and the unacceptable delays Ms W experienced must have undoubtedly caused considerable frustration and concern.

Partial transfer of the ISA account to Company B

HMRC guidelines for transfer of a stocks and shares ISA is that it should complete within 30 days. Clearly this didn't happen here. The transfer took nearly two months and was then followed by a cash payment which Ms W didn't know what it was for but assumed it was a dividend payment.

Again, this no doubt caused Ms W frustration and also irritation at the delay in the transfer and not knowing what the cash payment was for or where it came from.

Partial transfer of the ISA account to Company C

Ms W has told us this one shareholding was valued at around £300,000 and that being the case she said was part of her reason for splitting her ISA between two providers. She didn't want the same thing to happen as with the previous firm that had gone into administration so made the decision to spread that risk over two providers. She was conscious of the financial limits provided by the regulatory framework if something did go wrong with a firm.

ITI told us it could only find emails from 2020 regarding one wrong transfer request regarding this shareholding. However, I note the email conversation between Ms W and ITI that it has given us which is dated 15 and 18 December and where Ms W comments '*I have asked [Company 'B'] to keep the shares as this is the second time this has happened in as many months*'. So, while ITI may not be able to find anything about two incorrect transfers, I think the contemporaneous evidence suggests it more likely did happen twice.

ITI has said the shares were transferred on 22 September 2020 and that transfer wouldn't have completed with Company B without Ms W's consent. However, I note Ms W has said these shouldn't have been accepted by Company B, but as far as this complaint against ITI is concerned, it seems there were failures in this transfer.

So, I can understand Ms W's very real concerns when this high value holding effectively went missing and was transferred to Company B instead of Company C – not just once, but twice. And then as Ms W no longer had faith in ITI, the correct transfer to Company C was implemented by Company B many months later. I can recognise why Ms W told us she was distraught during this period and the time it took to complete the transfer which was well outside of HMRC guidelines.

The overall service provided to Ms W

I don't know the size of the client base that ITI took over from the previous provider that went into administration. But I think it's likely that the new additional accounts and investments will

have had an impact on ITI's capacity and ability to deal with new customers and increased requests.

And in any relationship between a consumer and a business there is always the potential for errors or misunderstandings. If that happens, it is how a business responds to that that is important. I think all of the above, as examples, make clear that ITI's dealings with Ms W – the lack of communication it had with her and the poorly handled transfers – evidence the service she received was well below what would be expected.

ITI did note this in its response to Ms W's complaint. It apologised for the extensive time it had taken to resolve the matters raised by Ms W. And it offered £250 in recognition of this.

Putting things right

As I've said above Ms W wasn't happy with the offer and particularly because at that point the transfers hadn't been completed and she experienced further significant problems and delays with those transfers. So, like the investigator, I think this offer should be increased and I think the amount of £450 is fair and reasonable and a more realistic reflection of the considerable trouble and upset Ms W has been caused by ITI.

My final decision

I uphold Ms W's complaint about the poor service she has received from ITI Capital Limited and I make an award to Ms W of £450.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 3 October 2022.

Catherine Langley
Ombudsman