

The complaint

Mrs A complains ITI Capital Limited (“ITI Capital”) didn’t administer her account properly and delayed its transfer, causing her stress and financial loss.

What happened

Mrs A says she started the transfer process in August 2020 and it completed in April 2021. She is unhappy with ITI Capital’s lack of responsiveness as well as its overall service.

In July 2020 ITI Capital took on Mrs A’s account and she opted to have ITI Capital transfer it elsewhere rather than opting to stay with and trade through ITI Capital. On 12 August 2020 ITI Capital’s system asked Mrs A to upload identification documents so her request could be processed.

Mrs A uploaded identification documents on 12 September 2020 alongside a transfer form she had completed for her new provider. She’d signed that form towards the end of August asking her new provider to transfer her assets and cash from ITI Capital. Her new provider produced a letter on 4 September requesting the transfer from ITI Capital, enclosing Mrs A’s transfer form.

On 12 September Mrs A also uploaded a message saying she would not complete the form on ITI Capital’s website because this asked for her bank details and she was concerned this would result in her ISA cash being paid into her bank account and removed from her ISA.

On 17 September ITI Capital emailed Mrs A asking her to make sure that she provided a transfer out order, her identification details and details of her bank account – amongst other things. Mrs A emailed back on 18 September repeating her concern that her funds be kept in an ISA and not be paid to her bank account. She said ITI Capital’s online form couldn’t be finished unless bank details were provided. She was also not happy that the form asked for certain details of her new provider that she did not have. She said she had already given her authority to ITI Capital to carry out the transfer – as this was on the new provider’s transfer form. So she wanted ITI Capital to proceed based on the form she had given and to ask her new provider for anything more that it needed.

On 5 October 2020 Mrs A complained to ITI Capital about not having received a reply to her previous email and about ITI Capital holding up the transfer. Her view was she had provided ITI Capital with her new provider’s transfer form and ITI Capital actions, in asking for more, were unreasonable, designed to delay matters, deprived her of investment opportunities and wasted a lot of her time. She was also concerned the time taken to complete the transfer might eventually exceed the six-month period during which Mrs A was exempted from fees.

ITI Capital has said it asked the new provider for the transfer request on 5 October and got this by email on 12 October. But ITI Capital has also said a representative of Mrs A was chasing it about the transfer in September and provided copies of the transfer requests at that time. Also the transfer request sent by the provider in October was dated 4 September, which was when it was first produced.

ITI Capital replied to Mrs A's complaint at the end of November 2020. It apologised for not replying to all Mrs A's messages and for what it said had been a delay in carrying out the transfer – which it said had since been placed on a high priority list. It offered Mrs A £125 to settle her complaint.

ITI Capital has since said the transfer of Mrs A's assets completed on 12 November 2020 and her cash followed on 14 December.

Mrs A did not accept ITI Capital's offer to settle her complaint. She came to us saying she wanted more substantial redress to reflect investment opportunities missed due to her assets and cash being unnecessarily stranded with ITI Capital, and also to reflect the stress caused and the time and energy the matter had wasted. She told us cash of £180 was still outstanding and she was concerned this would not be paid to her by ITI Capital.

ITI Capital says dividends it received in January 2021 were later paid to Mrs A's new provider in April 2021. Mrs A has since confirmed that the cash due has been paid.

Our investigator told Mrs A in March 2022 that ITI Capital had increased its offer to £250. Mrs A thought this needed to be higher if it were to be in line with other offers of which she was aware. Also she considered redress for missed investment opportunity ought to be included. She thought it wrong if in her case her claim for this needed to be accompanied by evidence of trading – because she said her ITI Capital account was not a trading account and so she was not allowed to trade. She said it was difficult to quantify her loss but this didn't make it right to say no loss occurred or there shouldn't be redress for it.

Our investigator thought ITI Capital should offer Mrs A £350 as compensation but did not agree that ITI Capital should pay anything for her loss of investment opportunity. In short this was because there wasn't evidence of any trades Mrs A had tried to make, and been prevented from making, during the time in which the transfer had been delayed.

Mrs A reiterated that her account was not a trading account and that she had not agreed to ITI Capital's terms. In her view she was as a result legally stopped from trading at ITI Capital. She considered this legal aspect hasn't been considered properly and is why she couldn't produce evidence of attempts to trade and why she should still receive redress for missed investment opportunities in the absence of this evidence. She says she can only provide proof of trading carried out after the transfer.

Our investigator wasn't persuaded and wrote to ITI Capital and Mrs A expressing the view that £350 was fair redress to settle Mrs A's complaint. Our investigator noted messages on ITI Capital's website that told customers in September and October 2020 that customers could place orders over the phone at online dealing rates and that this was regardless of the status of the client's registration. So our investigator thought Mrs A could've traded. Also our investigator thought the absence of evidence of any clear intention on Mrs A's part to carry out any specific trades at ITI Capital, was still a reason for not proposing a financial award be paid to Mrs A for any missed investment opportunities.

ITI Capital replied with more information about the case - but didn't comment on our investigator's proposal that it pay Mrs A £350 instead of the £250 it had offered.

Mrs A hadn't seen the website messages to which our investigator had referred. But she didn't think a website message was sufficient anyway. She thought ITI Capital should have emailed her this information instead, especially if it overrode the legal position which in her view was that she was unable to trade with ITI Capital. She said the fact her assets and cash were never moved onto an ITI Capital trading account, supports her view. She said the investigator's findings failed to grasp the difference between an ITI Capital holding account, which is what she had, and an ITI Capital trading account. Also she said ITI Capital was not answering calls at the time, so it wouldn't have been possible to trade by phone anyway.

Mrs A still thought asking for proof of her having tried to trade, as a prerequisite for redress for missing out on being able to trade, was unfair. She considered it amounted to asking her to prove the impossible - because it was not possible for her to trade on her account.

Also, after reviewing the online messages about trading, Mrs A didn't consider these applied to her situation anyway. The messages refer to trading accounts, which she didn't have and wasn't getting, and refer to a migration process she interprets as referring to migrations to trading accounts, which didn't apply in her case. Also references to how online rates will be charged for phone trades, are references that only apply to those with, or who were waiting to get, the facility to trade that was offered by a trading account. This didn't apply to Mrs A.

Also Mrs A said that if she had traded by phone with ITI Capital, it could've been a way for ITI Capital, unfairly, to get her to agree to trading terms to which she hadn't agreed and hadn't wanted to agree.

Our investigator's view remained the same and so, as Mrs A's complaint wasn't 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 arrived at the same conclusion as our investigator and for broadly the same reasons. I'll explain my reasons.

It doesn't appear to be disputed that the transfer took longer than it ought to have taken – a view I share.

The transfer request from Mrs A's new provider was requested by ITI Capital at the start of October 2020, but it appears this was sent to ITI Capital originally at the start of September. It also appears, from what ITI Capital has told us, that ITI Capital was being chased about this in September. Also Mrs A appears to have uploaded identification details in September. It took two months from then to arrange the transfer of assets. That was too long in my view. The cash took longer still – a further month. More was paid later in April 2021 but that doesn't change the overall picture very much in my view, given the small sum involved then.

So ITI Capital didn't do what it ought to have done and in my view this caused Mrs A upset as well as inconvenience, such as wasted time. I'll return to that issue later. It is also the case that while her cash and asset holdings were delayed with ITI Capital, Mrs A believed she was unable to trade – and sell existing assets or buy or sell new assets. If this was the case and it caused Mrs A financial loss, then ITI Capital ought to remedy that too.

So I've considered whether the evidence suggests there are profitable trades Mrs A didn't make but most likely would've made if it hadn't been for ITI Capital's delay.

Mrs A hasn't offered any specific suggestions of trades or changes to her holdings that she was contemplating during the time she was waiting for the transfer to be completed. So the evidence I have doesn't support the conclusion that there were specific trades or changes Mrs A might have made to her holdings that she would've profited from and that ITI Capital's delay prevented her from carrying out. So I'm not persuaded that there were particular trades or changes to Mrs A's holdings that Mrs A would've made but was prevented from making by ITI Capital's delay. So I don't think it would be fair for ITI Capital to compensate Mrs A now for the profits that might have been made from such trades.

I don't overlook that Mrs A's account was not a trading account and that, as far as she was concerned, she was unable to make trades on it. So it isn't surprising she didn't contact ITI Capital to make trades while she was waiting for the transfer to complete. But neither did she tell ITI Capital at any point during its delay that the delay was stopping her from making a particular trade she wanted to make.

From what I've seen, I don't think Mrs A formed a firm intention to carry out any particular trade or trades during the period of ITI Capital's delay. So I do not think it fair or reasonable to award her redress for not having been able to carry out particular trades. I appreciate she might have considered her options earlier if the transfer had completed earlier. But I haven't enough to conclude that more likely than not the result would've been trades or changes to her holdings of a kind from which she would most likely have profited.

So even if ITI Capital's delay or failings did prevent Mrs A from trading, what I have doesn't persuade me that this most likely caused Mrs A financial loss. Of course I don't overlook that ITI Capital says Mrs A could actually have traded by phone anyway - and so was not in fact prevented from making any trades she might have wished to make. If that were the case, it would potentially give further reason for saying ITI Capital should not pay Mrs A redress for trades she might have wanted to make but didn't make or try to make. But in light of the conclusions I've already reached above, I don't need to decide or consider this further here.

So, for the reasons I've given, I do not think it fair and reasonable to award Mrs A redress for financial loss arising from missed investment opportunities caused by ITI Capital's failings or delay of the transfer - because I'm not satisfied that more likely than not Mrs A was caused to suffer a financial loss of that kind as a result of ITI Capital's delay or failings.

Returning to the upset and inconvenience caused to Mrs A by ITI Capital's failings and delay, I've carefully considered all Mrs A and ITI Capital have said about this. Having done so, I'm persuaded ITI Capital ought to compensate Mrs A for this upset and inconvenience. I find it would be fair and reasonable for ITI Capital to pay Mrs A £350 for this. I say this based on the particular circumstances of this complaint as discussed above, and also bearing in mind I've seen nothing from the parties to suggest that this wouldn't be fair redress for this.

So I uphold Mrs A's complaint to the extent and for the reasons I've explained above.

I'm grateful to Mrs A for the documents and the detailed summaries she gave us during our consideration of her complaint, which greatly assisted our investigation. I thank the parties for the help they have given us.

Putting things right

I've found ITI Capital Limited at fault, so ITI Capital Limited should put things right. To compensate Mrs A for distress and inconvenience ITI Capital's failings caused her, ITI Capital Limited should pay Mrs A £350.

If ITI Capital Limited doesn't pay Mrs A the sum above within one month of receiving from us notification of Mrs A's acceptance of my decision, ITI Capital Limited should also pay Mrs A simple interest on the sum at the rate of 8% per year from the date of my decision until the date ITI Capital Limited pays my award.

My final decision

For the reasons I've given above, I uphold Mrs A's complaint and order ITI Capital Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 16 November 2022.

Richard Sheridan
Ombudsman