

The complaint

Mr and Mrs B have complained about how ITI Capital Limited ("ITI Capital") administered their investment accounts.

What happened

Mr and Mrs B say ITI Capital took until September 2020 to get their accounts up and running and it should've happened in July. They say ITI Capital's service was poor, including delayed dividends, phone calls and emails not being answered, shares not showing in the accounts, out of date prices and other errors in figures shown. They also say ITI Capital took too long to transfer them out to another provider when in September 2020 they decided to leave ITI Capital. They have also said this delay meant they lost out from not making trades they would otherwise have made.

Our investigator looked into the complaint and found, in summary:

- Mr and Mrs B requested on 21 August 2020 the withdrawal of cash accumulated in the accounts due to dividends in the previous year. They were given to expect withdrawals would usually take two to three days. But the cash only came on 2 September 2020 and after numerous chaser calls and emails from Mr B. The withdrawal should've taken no more than three working days from the date of the form, so ITI Capital should pay Mr and Mrs B simple interest on the withdrawal sums at the rate of 8% per year from 27 August 2020 until 2 September 2020.
- Transfer requests were made on 7 September 2020 and holdings were transferred out for Mr B on 13 November 2020 and for Mrs B on 7 January 2021. Allowing a transfer time of six weeks, the time taken to act on the transfer requests was too long. But as holdings remained invested throughout, this delay didn't lead to loss.
- In each case a transfer of cash was also made but not until several weeks later. On the basis that the stocks shouldn't have taken longer than six weeks to transfer and the cash should've transferred no later than the stocks, these cash sums should have been transferred no more than six weeks from the initial transfer request. So ITI Capital should compensate Mr and Mrs B for the loss of use of these cash sums during the delays. It should do so in each case by paying Mr and Mrs B simple interest on the transferred cash sum at the rate of 8% per year from 19 October 2020 until the date the cash sum was actually transferred.
- Mrs B intended to sell certain holdings in November 2020 but kept them in order not to delay the transfer further, and as she had little faith in ITI Capital's administrative abilities at the time. Likewise Mr and Mrs B had cash in the accounts they would have invested earlier but did not invest until later due to the delays. But as ITI Capital did not prevent Mrs B from selling these holdings or stop Mr and Mrs B investing their cash, ITI Capital shouldn't be responsible for compensating Mr and Mrs B for any profits they might have made had they made these transactions they didn't make.

- Dividends Mr and Mrs B said were paid by a company, I'll call "S", on 16 December 2020 weren't paid to the new provider by ITI Capital until 27 January 2021. For their loss of use of these sums, ITI Capital should pay Mr and Mrs B simple interest on these sums at the rate of 8% per year from the date they were paid by S until the date ITI Capital paid them to the new provider.
- The delay in the transfer of shares in a particular company, I'll call "M", and the delay until September 2021 in Mr and Mrs B receiving, at the new provider, the dividend M paid on 28 April 2021, was not due to anything ITI Capital could have changed or should compensate Mr and Mrs B for. ITI Capital did all it could to resolve that matter.
- ITI Capital should have provided Mr and Mrs B with a better service, for example by keeping them better informed. Instead it caused them inconvenience and frustration due to its delays. Mr B sent many emails, many of which weren't answered. Mr and Mrs B were left without proper account access for over a month. In light of this and ITI Capital's other failings, ITI Capital should pay Mr and Mrs B £350 each (£700 in total) for the inconvenience and distress its failings caused - rather than £275 it had offered. This more properly reflected the impact on Mr and Mrs B and took into account the extra inconvenience caused to them by ITI Capital since it first made its £275 offer.

We didn't receive anything from ITI Capital in response to the investigator's findings.

In their reply, Mr and Mrs B didn't suggest a higher sum for inconvenience and distress. But they mentioned in particular the delays with their shares in company M – and the associated delay of a payment to each of them of £122.30 in dividends. They thought this was a failing of ITI Capital and ought to have been mentioned in the assessment as such. Mr and Mrs B say they should've received this dividend on 28 April 2021, but it wasn't received by Mrs B until 22 September 2021 and by Mr B a week or so later.

In terms of lost profits from trading, Mr and Mrs B said ITI Capital didn't stop Mrs B selling certain stocks she'd mentioned, but these would've been sold sooner had the transfers been done sooner. Separately they have pointed out they were unable to sell their holding in M.

We asked for more from ITI Capital relating to the transfer of the shares in M and the dividend delay. We didn't receive anything more from ITI Capital in relation to this.

As ITI Capital didn't reply - to our assessment or to our later request for further comment - the matter couldn't be resolved informally. So 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 broadly the same conclusions as our investigator, for broadly the same reasons.

In brief summary, it is not in dispute that ITI Capital didn't provide the service it ought to have provided to Mr and Mrs B. The account when up and running was subject to error and not complete until after it should've been. The transfer out likewise took much longer than it ought to have done. There was also a delay in the payment of dividends.

I have made no award for investments or trades Mr and Mrs B didn't make but might have made and profited from if the transfers hadn't been delayed. For such an award, I'd want to see evidence, of a kind not present here, of specific sales or purchases being attempted but

prevented by ITI Capital's failings. Mr and Mrs B have explained that they avoided trying to initiate such transactions with ITI Capital in order to avoid the risk of further error and delay. Taking everything into account, what I've seen doesn't persuade me it is fair and reasonable here to make an award for profits lost on transactions that weren't conducted.

I note what Mr and Mrs B have said about the transfer of M and the delay in M's dividends. So, to briefly summarise that issue here, I note this was the last item outstanding and last to be resolved. At the end of January 2021 ITI Capital told Mr and Mrs B documents necessary for the stock transfer were being finalised. In March 2021 it referred to lockdown issues as the reason for delay.

Mr and Mrs B didn't think this a reasonable explanation. They thought what needed to be done would've been fairly apparent from September 2020 and noted the steps that had been promised towards the end of January 2021. It wasn't until later in March 2021 that they were told paperwork for the transfer had been sent off. They were told ITI Capital was working on resolving the remaining issues, but it wasn't until June 2021 that they were told the transfer of the shares could go ahead. The dividend paid in the meantime wasn't received by them until September 2021 or so, as noted already above.

The concerns our investigator raised about this matter were left unanswered by ITI Capital. Bearing that in mind, I share Mr and Mrs B's view that ITI Capital did not do all it should have done in relation to the transfer of M and, by extension, in relation to the dividend payment by M that Mr and Mrs B did not receive until months later. I accept lockdown restrictions and sundry problems caused by other parties may have extended the time taken. But, ITI Capital having not responded to our request for further comment on its part in this, I've not seen enough to make me think that its part was not significant. My award takes this into account.

That said, in my view the investigator's recommended award for inconvenience and distress is fair and reasonable in light of the impact on Mr and Mrs B of ITI Capital's failings. I say this bearing in mind both that the funds in question were significant for their retirement funding and also what they have said about their ages. The point about the emails and the calls they had to make is already noted above. I also note what they have told us about Mrs B's health. In my view, with all this in mind, it is apparent the service failings identified have caused Mr and Mrs B not only inconvenience and frustration but also anxiety and concern. The £700 proposed by our investigator is in my view fair and reasonable in all the circumstances here.

So, for the reasons discussed and in light of all I've said above, I find ITI Capital Limited at fault and I think it should put things right.

Putting things right

To put things right, ITI Capital Limited should:

- Pay Mr and Mrs B simple interest on the cash withdrawals (requested 21 August 2020) at the rate of 8% per year from 27 August 2020 until 2 September 2020.
- Pay Mr and Mrs B simple interest on each transferred cash sum at the rate of 8% per year from 19 October 2020 until the date it was transferred to their new provider.
- Pay Mr and Mrs B simple interest on the company S dividends above at the rate of 8% per year from the date S paid these (16 December 2020 above) until the date ITI Capital paid them to Mr and Mrs B's new provider (27 January 2021 above).
- Pay Mr and Mrs B simple interest on each M dividend sum above (£122.30 each above) at the rate of 8% per year from 28 April 2021 until the date it was paid to them.

- Pay Mr and Mrs B £700 for distress and inconvenience ITI Capital's faults caused them.

If any sum above isn't paid to Mr and Mrs B within one month of ITI Capital Limited receiving notification of Mr and Mrs B's acceptance of my decision, then ITI Capital Limited should pay Mr and Mrs B simple interest on the unpaid sum at the rate of 8% per year from the date of my decision until the date ITI Capital Limited pays Mr and Mrs B the unpaid sum.

My final decision

For the reasons I've given, and in light of all I've said above, I uphold Mr and Mrs B's complaint and order ITI Capital Limited to put things right in the way I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 10 September 2022.

Richard Sheridan
Ombudsman