

## The complaint

Mr C complains about the unsuccessful transfer and delay of his assets from ITI Capital Limited (referred to as “ITI” or the “Transferor”) to a new provider of his choosing, referred to as “the transferee”.

## What happened

Mr C initially held an account with a different provider, with whom he had 104 units of Vanguard FTSE250 ETF. In August 2019, following intervention from the industry regulator the Financial Conduct Authority (“the FCA”), the provider went into administration.

In June 2020 ITI eventually took over the previous provider’s client books, and Mr C’s assets were transferred over. I understand that customers were generally told/led to believe that accounts would be up and running by July 2020.

Based on what Mr C says, it seems that in August 2020 he may have contacted the transferee and requested a transfer of his assets. At or around the same time, he contacted ITI to notify it of his instructions to transfer.

In terms of a brief chronology, I note in December 2020, Mr C emailed ITI for an update. In response to an earlier contact/conversation with the business, he said that any suggestion that the transfer had been initiated – and that ITI was waiting to hear from the transferee – was false, because the transferee told him that it hadn’t received any communication from ITI. Mr C also said that he’d been calling and emailing for months now and wanted the matter dealt with.

On 5 February 2021, ITI apologised for the delayed response and said:

*“I have received confirmation from the transfers team today that your transfer is processing but unfortunately, they haven’t received any feedback from the transferee (name anonymised). Can you please confirm that your transfer is relevant and contact your broker?”*

On 9 February 2021, Mr C confirmed that the transfer was still relevant, and that the transferee would be in touch. In response ITI asked for a copy of the email so that it could forward it to the ‘transfers team’.

On 16 February 2021, Mr C provided the email from the transferee, which in short said:

*“I have been advised that we have received and accepted a valuation from ITI Capital and our acceptance was sent to ITI (email address anonymised).*

*We are now awaiting the proceeds from ITI Capital and will send you a secure message once these have been received and applied to your account.”*

On 17 February 2021, ITI confirmed that its transfer team had proposed a transfer, and settlement, date to the transferee.

On 24 February 2021, in response to Mr C asking for a date, ITI said that there wasn't a response from the transferee, so the date of 25 February was irrelevant. It asked Mr C to ask the transferee to check for ITI's chaser emails.

Mr C responded the same day asking if this was a "joke or what?". He provided the following response he'd previously received from the transferee:

*"I have had a look at your transfer log for you and I cannot see a proposed settlement date.*

*I can see we received a valuation on the 14 02 2020 to which we sent our acceptance on the same day. We are now awaiting the re-registration of the funds to our custodian.*

*May I suggest in this instance asking the current provider the settlement date they have proposed"?*

Mr C also asked if ITI could pick up the phone so that he could discuss the issue. He didn't want to be relaying messages between the transferor and transferee.

ITI in response confirmed that 'Operations' had its own communication channels with the transferee and that it was awaiting the transferee's acceptance and confirmation, and that it was doing what it could to action Mr C's request. It provided no further details.

On 22 March 2021, Mr C queried the position regarding the two systems used by the transferor and transferee. He provided ITI confirmation of the transferee stating that it can only transfer equities via 'Crest' but ITI can only transfer equities via 'Euroclear', therefore the transferee was *"unable to agree dates to initiate the trade as we do not use the same systems to transfer"*.

*Can you please speak with your current provider about how to send us the funds and then let us know how we are to proceed"?*

Between 25 March 2021 and 11 May 2021, ITI apologised numerous times for not being able to provide a solution to the issue, and after some chasing confirmed that it can't deliver on "Crest" as it uses "Euroclear". It's after this point, around nine months after making his transfer request, that Mr C started asking about how he could get his money back.

In short, Mr C says that since August 2020 he's been asking ITI to transfer all his assets to a new online broker, without success. Despite calling every other week or so, he's been given one excuse or another about why it's taking so long. Due to the lack of progress and frustration Mr C has now abandoned his plan to transfer altogether.

One of our investigators considered the complaint and thought it should be upheld. In summary, she said:

- Mr C has provided copies of emails sent to ITI since February 2021, questioning the transfer delay.
- He's seen no evidence to persuade him that ITI has been proactive in contacting Mr C, and the communication has been driven by Mr C himself.
- Despite contacting Mr C about the complaint and the (potential) sale of his shares, no further evidence has been provided by him regarding this.
- Mr C has been frustrated and inconvenienced by the level of delay, even resulting in

- him deciding to sell his shares and ending the relationship.
- In the circumstances, £250 compensation is broadly fair and reasonable.

Despite being provided with the investigator's view, ITI hasn't responded with any further points for consideration – It merely asked to see Mr C's complaint again.

In the circumstances the investigator has submitted the complaint for an ombudsman's decision.

Mr C recently confirmed that he still has the investment, although he has been recently informed by ITI that it is planning to offboard its UK customers and cease operations in the UK.

As no agreement has been reached the matter has been passed to me for review.

### **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 agree with the investigator's conclusion for much the same reasons. I'm going to uphold this complaint.

On the face of the evidence, and on balance, I can't safely say that the business behaved reasonably. In other words, on balance I'm satisfied that there was a delay of around nine months, after which Mr C eventually abandoned the idea of transferring his assets away from ITI altogether. However, I think the £250 compensation recommended by the investigator is broadly fair and reasonable.

Before I explain why this is the case, I think it's important for me to note I very much recognise Mr C's strength of feeling about this matter. He's provided submissions to support the complaint, which I've read and considered carefully. However, I hope that he won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr C, and ITI, and reach what I think is an independent, fair and reasonable decision based on the facts of the case. In considering this case, I've also considered evidence provided by

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.

Based on what Mr C says, it seems to me (in the main) he agrees with the investigator's view, and the award for £250 compensation for distress and inconvenience caused. But because the business hasn't materially responded to the investigator's view, I'm obliged to consider this complaint.

On the face of the evidence and on balance, despite what Mr C says, I can't entirely blame ITI for the entire delays that he's experienced. In other words, on the face of the evidence, and on balance, I'm unable to safely conclude that ITI is solely responsible for the delays experienced.

I'm conscious that ITI couldn't act without the relevant information from other parties, and therefore it was only so far that it could go with the transfer request. Nevertheless, I don't think it managed Mr C's expectations as well as it could've or provide a level of service that he could expect from ITI including accurate and up to date information about what was going on.

It's not entirely clear the size of the books that ITI took over from the previous provider that went into administration. But it's likely that the new additional accounts and investments will have greatly affected ITI's capacity to deal with the additional customers and increased requests. It's likely that Mr C was far from the only customer seeking to transfer assets.

Based on what ITI says, its inability to deal with Mr C arose, in the main, from issues outside of its control in that it was waiting to hear back from the transferee – I note Mr C strongly disagrees with this - and that it used a transfer system that was incompatible with the transferee. I note that despite trying – although it provided no details of what exactly it did – it couldn't find a solution to the issue.

On the face of the available evidence, I note Mr C did all he reasonably could to try and move things along, but to no avail. It seems that eventually as a result of finding out that it wasn't possible to transfer as intended, he was forced to abandon his plan altogether. It could be argued that Mr C should've been furnished with this information – regarding the Crest and Euroclear incompatibility – much sooner, so that he could make an informed decision about whether or not he wanted to stay or choose a different provider that was compatible with ITI.

I'm satisfied that he suffered distress and inconvenience during the entire process, chasing ITI for answers, for which I've said £250 compensation is broadly fair and reasonable. In other words, I'm satisfied that the compensation adequately reflects the time and effort put in by Mr C to try and resolve the issues.

I'm mindful that Mr C, in light of the delays, initially decided to cash in his shares before then deciding against this idea, in order to preserve the ISA status. I'm mindful that both decisions were made of his own volition without financial advice from ITI.

I'm also mindful that recently – in or around July 2022 – Mr C was notified that ITI planned to offboard all UK customers and cease operations in the UK. Whilst Mr C understandably remains concerned about his investment, I've seen nothing to suggest that he can't still transfer his assets to a different business or cash in his shares.

I'm mindful that Mr C never made clear what he intended to do if the transfer was successful. If Mr C had chosen to sell with ITI, and the sale was delayed, and he suffered a financial loss as a result, the circumstances would be different. Or, if Mr C hadn't been given any opportunity to sell his shares, and did so immediately after the transfer, that situation would also be different. But neither of those situations are what I'm faced with in this case at present and therefore I can't say that ITI wouldn't have been capable of the sale if Mr C had proceeded with selling the shares.

In any case, I'm sure Mr C will be aware that a financial business isn't responsible for any adverse market movements and he may want to consider obtaining financial advice about what he should do given what he now knows about ITI's plans.

I appreciate Mr C says that ITI "lied" to him about aspects of the transfer, but I'm unable to safely say that this was the case, or that he was deliberately misled by ITI. Evidently there was miscommunication between ITI and Mr C and possibly the transferee – using inaccurate and out of date information – which wasn't helped by the delays.

Whilst I appreciate Mr C's frustration in this matter, I'm not going to ask ITI to do anything other than pay him £250 compensation for the distress and inconvenience caused.

### **Putting things right**

ITI Capital Limited should pay Mr C £250 compensation for the trouble and upset caused.

### **My final decision**

For the reasons set out above, I uphold this complaint.

ITI Capital Limited should pay Mr C compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 October 2022.

Dara Islam  
**Ombudsman**