

The complaint

Mr A complains ITI Capital Limited (“ITI Capital”) didn’t set up or administer his account properly and delayed its transfer, causing him stress and lost investment opportunities.

What happened

Mr A approached a new provider to request a transfer from ITI Capital in September 2020. He says he did so because ITI Capital had failed to transfer his cash and shareholdings from a holding account to his ITI Capital trading account in a timely manner.

ITI Capital had sent an email to Mr A in September 2020 acknowledging the cash that was due to his account. His shareholdings did reach his ITI Capital trading account in October, but his cash wasn’t showing on either his trading account or his holding account. By this point Mr A’s new provider had asked ITI Capital to transfer out Mr A’s account holdings.

Mr A says that as a result of his cash disappearing from his account, he was unable to buy shares with it. He says this also meant he didn’t sell existing shareholdings he would’ve like to sell and replace with better shareholdings, in case the cash from their sale disappeared as well. So Mr A says he lost out on profitable trades he could’ve made.

ITI Capital replied to Mr A’s complaint in December 2020. The transfer out had not yet been carried out. ITI Capital apologised for the service and for the time transfers were taking - and offered Mr A £150 to settle his complaint. Mr A rejected the offer.

Mr A says his shares were transferred to his new provider later in December 2020, but not his cash. It wasn’t until the end of March 2021 that ITI Capital paid to Mr A’s new provider the large bulk of his cash. What it paid then was what it acknowledged in September 2020 was due to Mr A. Mr A says the cash reached his new provider in April 2021.

In April 2022 ITI Capital offered to increase its £150 offer to £350 for the inconvenience or distress caused to Mr A by its failings. But Mr A rejected this and referred us back to what he had said about investment opportunities he’d missed due to his cash disappearing from his ITI Capital account. Also he calculated that the income distributions paid by his holdings during the time ITI Capital held them meant ITI Capital ought to have paid a further £95 to his new provider. Later he sent a screenshot from December 2021 that showed a value of £37 still on his account at that point. He said this left ITI Capital owing him £58 of the £95. Also he said the sum on his account in December 2021 showed that the transfer out of his account still wasn’t complete at that point – and so hadn’t been completed in April 2021.

Our investigator asked ITI Capital for evidence to show the transfer out had been completed, including a closing statement – and invited ITI Capital to comment on the screenshot Mr A had sent and the amount Mr A had calculated was due. ITI Capital didn’t answer. Our investigator then issued their opinion on the complaint.

In brief, our investigator thought Mr A's claim for losses arising from trades he had wanted to make but which ITI Capital's failings had prevented him carrying out, shouldn't be supported without clear evidence of specific trades he had planned to carry out. Also our investigator thought Mr A could have traded anyway and bought new holdings by selling existing holdings or contacting ITI Capital about the cash that had disappeared from his account.

But our investigator wasn't satisfied that what ITI Capital had sent us proved Mr A wasn't due the £95 he'd mentioned or properly evidenced the status of the transfer. Our investigator also thought ITI Capital had failed to complete Mr A's transfer in a timely manner. As for the £350 compensation ITI Capital had offered, our investigator thought ITI Capital should pay Mr A more than this if - as the evidence suggested - Mr A's cash was transferred later than December 2020.

ITI Capital didn't reply or send anything new in response to our investigator's opinion. Mr A did reply and maintained that he could not invest cash that wasn't appearing on his account, so he missed out on investment opportunities. Also he pointed out that he had taken steps to chase ITI Capital for his cash, but without success. He referred to September 2020 email exchanges with ITI Capital in which ITI Capital had promised to arrange to credit to him his cash – but the sums it had promised there weren't paid until March 2021.

Mr A also said that what he'd received from ITI Capital hadn't detailed the amounts of and dates on which ITI Capital had received the various income distributions for his account. He hadn't had a closing statement either. Also Mr A said redress is due for what was severe stress caused by ITI Capital's failings and the time these failings wasted.

As the complaint couldn't be resolved informally, it was 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.

Having done so, I've arrived for similar reasons at broadly the same conclusions as our investigator.

Without clear evidence of trades Mr A contemplated but didn't carry out due to ITI Capital's failings, I can't identify a financial loss arising from those trades or say those trades would have improved his situation. I say this bearing in mind that trading can bring losses as well as gains. Mr A hasn't given us any detail of any particular share sales or purchases he planned but was prevented by ITI Capital from making. So I've nothing to show that he missed out on particular profits due to being unable to carry out such trades. I don't think it would be fair and reasonable in those circumstances to award redress for such lost profits.

Also there's no suggestion Mr A attempted to make particular trades with ITI Capital. I know his cash wasn't showing on his account. But I don't agree that this means ITI Capital ought to bear responsibility for gains Mr A didn't make or losses he didn't avoid as a result of not trading his existing holdings or taking steps to use his cash to buy new holdings. ITI Capital acknowledged in September 2020 the large cash sum due on Mr A's account. If Mr A had contacted ITI Capital about using this cash to fund trades, ITI Capital may have been able to process those trades like our investigator suggested.

I can't say for sure whether or not that would have been the case, given that Mr A did not, from what I've seen, contact ITI Capital with a view to making any particular trades during the time his cash wasn't showing his account. But overall, having thought carefully about what Mr A has said about his missing cash, it doesn't alter my view that it wouldn't be fair to

award redress for lost profits on missed investment opportunities – given the absence of evidence of any particular trades or profits that were missed.

That said, it is apparent ITI Capital took too long to deal with and transfer out Mr A's account. The internal transfer needed to set up his ITI Capital trading account before that was never done properly, given that his cash balance didn't appear there. Also it was difficult for Mr A to contact ITI Capital throughout. When he did make contact, he didn't get much practical help. For example, despite ITI Capital's September 2020 acknowledgment of the cash it needed to credit to Mr A's account, this didn't happen. The bulk of Mr A's cash wasn't transferred until March 2021. ITI Capital also hasn't commented on our investigator's suggestion that it pay Mr A more than £350 because of how long it took to transfer Mr A's cash.

With all this in mind, I share the investigator's view that ITI Capital should pay Mr A more for the inconvenience and stress its failings caused. ITI Capital should pay Mr A £450 for this.

Also ITI Capital hasn't provided anything to show me Mr A is mistaken about being due £58 more from income distributions received by ITI Capital. As I've had nothing from ITI Capital to persuade me this isn't due or to suggest that Mr A should not be awarded this sum – and bearing in mind the information we have shared with ITI Capital from Mr A about this, I find ITI Capital should also pay Mr A this £58.

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

Putting things right

I've found ITI Capital Limited at fault, so ITI Capital Limited should put things right. To put things right and compensate Mr A, ITI Capital Limited should pay Mr A £450 for the distress and inconvenience it caused Mr A and pay Mr A £58 as compensation for unpaid income.

If ITI Capital Limited doesn't pay Mr A the sums above within one month of receiving from us notification of Mr A's acceptance of my decision, ITI Capital Limited should also pay Mr A simple interest on the sums 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

I uphold Mr A's complaint. ITI Capital Limited must put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 December 2022.

Richard Sheridan
Ombudsman