

The complaint

Mr H complains ITI Capital Limited ("ITI Capital") failed to provide a working trading platform when it took over his investment account and then took too long to transfer out his account.

What happened

Mr H told us he never got full use of his account due to technical issues, poor customer service and lack of urgency in the replies to his communications. He has described the experience as a tense and emotional financial rollercoaster. He says if it hadn't been for ITI Capital's failings he would've made trades and would been in a more favourable position.

Mr H seeks compensation for emotional and financial distress. He has described the service as shambolic and has said that by the time he realised ITI Capital could accept trades by phone, he'd already decided to transfer out and wanted no more to do with ITI Capital.

Mr H expected access to his account, which included an ISA, on 23 July 2020. On 10 August he said he still didn't have access and ITI Capital hadn't replied to many of his emails and didn't answer his phone calls. On 21 August he asked ITI Capital how much longer it was going to take. He said the delay was financially and emotionally draining, with no end in sight. He said he'd prefer to transfer elsewhere if ITI Capital couldn't sort out the account.

On 25 August Mr H initiated a transfer to a new provider. The new provider says it chased ITI Capital for progress on 24 and 30 September and then on 14 and 26 October. The provider told Mr H in November that it had put the transfer on hold due to lack of response from ITI Capital. Mr H's account included an ISA, for which the transfer process was distinct. ITI Capital says the ISA transfer request was made on 14 September.

In the meantime Mr H said he applied pressure to the new provider as well as emailing ITI Capital. His email enquiries got standard acknowledgments rather than answers. He has said the help and advice of a third party he came across in late November was invaluable in helping get the transfers completed.

On 1 December 2020 the ISA transfer dates were agreed. A message from the new provider said it was awaiting cash balances on 18 December 2020. The ISA transfer completed on 23 December 2020. Mr H received a message on 7 January 2021 saying the transfer was complete. There seems to have been some confusion or uncertainty about the different account balances and where funds came from.

Mr H has said that after getting control of his ISA and having a cash sum transferred from ITI Capital on 23 December, he bought shares with it on 4 January 2021. He has said he'd been wanting to do this transaction for months, and he did it within days of the transfer being complete, but it cost him more for less stock than he would've got months earlier. He has also pointed to trades he did in a different account as examples of trades he would've been able to carry out on ITI Capital's platform, with positive results, if the platform had worked.

Our investigator thought ITI Capital should pay Mr H £350 for the distress and inconvenience caused by the platform not operating as it should and the delay in the transfer. ITI Capital

agreed.

Our investigator thought ITI Capital should also compensate Mr H by buying him the extra shares his 4 January 2021 trade would've got him if he'd done it soon after our investigator thought the transfer should've been completed, which was the end of October 2020.

ITI Capital didn't agree it should compensate Mr H for the change in price of the shares he'd bought in January 2021. It said Mr H could've got a better price on 23 December 2020, when the funds were already available to him at his new provider. ITI Capital said its agreed level of service gave it until 13 November 2020, rather than the end of October, but it agreed the completion date of 1 December 2020 for the ISA was too late.

Mr H didn't think £350 was enough compensation for his inconvenience and distress, without redress too for financial loss. He was also concerned that such an amount gave ITI Capital no incentive not to treat him and others as it had treated him or to fix its platform and service.

As the matter couldn't be resolved informally, it was passed to me for a final decision. I wrote to ITI Capital and Mr H explaining why I didn't think it would be fair to award Mr H redress for missed trading profits. In reply Mr H said, in brief summary:

- If ITI Capital hadn't been in such a rush to gain accounts, it could've had technology and staff in place for a smoother transition. But this wasn't the case. They had up to August to put his mind at ease that they could handle his business. He chose to transfer out after months of poor communication and not having a working trading platform. If he had reversed that decision it would have caused further delay. The transfer completed in January 2021 with ITI Capital blaming his new provider for the delay.
- This has been a long and exhausting process and he has no more to add.

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 uphold Mr H's complaint. I've decided ITI Capital was at fault for the service it gave him and ought to compensate him for the distress and inconvenience its failings caused him. But this doesn't extend to missed trading profits. I'll explain my reasons.

Mr H has eloquently described the anxiety and frustration he was caused by ITI Capital's failings. In particular the failure to provide a properly working trading platform or to address that failing promptly in an adequate way, the delay of the transfer and the lack of adequate communications to keep him informed. He says the frustration reached breaking point and, as problems persisted, he was anxious about whether he would ever get control back over his accounts. He has said the matter was on his mind daily and a dreadful lack of urgency and accountability was a constant worry.

ITI Capital doesn't dispute that failings in its provision to Mr H of the trading platform, delays in the transfer and shortcomings in its service did cause and contribute to Mr H suffering distress and inconvenience in connection with ITI Capital's handling of his account.

I've seen nothing to suggest that I shouldn't accept Mr H's account of how these problems affected him.

Turning to the trades Mr H might have made during the period, he has explained he was aware of a telephone trading option but did not attempt to use it because by that stage he

had decided to leave ITI Capital and didn't want to deal with - or through - ITI Capital.

I understand why Mr H didn't want to deal with a company where, if he did buy stocks, his ability to monitor them or to use the account to manage them would most likely be limited or compromised, based on the problems he had experienced. Also it is understandable, having decided to transfer out and with that process proceeding, that Mr H preferred not to deal with ITI Capital and so paused his trading.

So I appreciate why Mr H, as a result of ITI Capital's failings, decided not to place or attempt to place trades with ITI Capital during the delay. Still, ITI Capital's fault didn't prevent Mr H from placing or trying to place those trades. I've nothing to suggest he couldn't have placed his trades with ITI Capital using the phone facility on offer. It follows that any losses suffered as a result of not placing particular trades are in my view losses that could've been avoided by using that trading facility. I don't think it would be fair or reasonable for ITI Capital to compensate Mr H for lost profits on missed trades in these circumstances.

With this and all I've said above in mind, and taking into account all Mr H and ITI Capital have said, I consider it fair and reasonable in all the circumstances for ITI Capital to pay Mr H £350 for the inconvenience and distress its errors caused him.

Putting things right

To put things right, ITI Capital Limited should pay Mr H £350 for the inconvenience and distress its errors caused him.

If ITI Capital Limited doesn't pay this sum to Mr H within one month of being notified of his acceptance of this decision, ITI Capital Limited should also pay simple interest on it at 8% per year from the date of my decision until the date ITI Capital Limited pays it to Mr H.

My final decision

For the reasons I've given and in light of all I've said above, I uphold Mr H'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 H to accept or reject my decision before 24 October 2022.

Richard Sheridan
Ombudsman