

The complaint

Mrs H has complained to Halifax Share Dealing Limited (HSDL) about the difficulties experienced when trying to use her account.

Mrs H has been diagnosed with a form of dementia. A lasting power of attorney (LPA) is in place and Mrs S, her daughter, is one of the attorneys. Mrs S brings this complaint on behalf of Mrs H.

What happened

Mrs S opened a Self Select ISA for Mrs H via the online service on 12 January 2020. She created a regular subscription of £1,000 at the same time, to be invested in a Vanguard fund.

In June 2020 Mrs S complained to HSDL. She said she'd been trying to transfer ISA accounts from other providers to the Self Select ISA. And she asked how she could access the ISA in her name, reflecting her role as Mrs H's representative.

HSDL explained that the LPA had been registered with the Halifax Banking Group before the Self Select ISA had been opened. And so they weren't aware of it until Mrs S had raised the complaint. The complaint handler arranged for the relevant forms to be sent to Mrs S so the records could be updated. And she offered to send Mrs S £80 for the inconvenience caused to her. Mrs S didn't accept the offer and referred her complaint here. A complaint about Halifax Bank has been dealt with separately.

Our investigator recommended that the complaint be upheld. She found that Mrs H should be compensated for the delay in registration of the power of attorney in the sum of £150. She also found that and that monies should have been invested sooner than they were. She found that Mrs H had lost out on investment opportunities.

HSDL didn't provide any information in response to numerous requests from this service. In response to the investigator's view it said that in the event of an account being restricted, HSDL would continue to collect the regular subscription as scheduled. However when a restriction is in place on an account no trading is allowed, meaning that any scheduled regular investment plans would fail. The restriction would be lifted when Mrs H called advising that she wished to trade.

Mrs S accepted the recommendations in the view on behalf of Mrs H.

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.

It's clear that there was some misunderstanding when Mrs S tried to register the LPA. HSDL confirms that once an LPA is received into the Halifax Bank centralised unit notifications are sent to all areas of the business where the customer holds accounts. Although Mrs S registered the LPA with the banking arm in December 2019, the Self Select ISA wasn't opened until 12 January 2020. Accordingly HSDL didn't receive the notification and were unaware of the LPA until Mrs S raised the issue in June 2020. I don't find that HSDL were at fault up to this point.

The LPA was registered with effect from 14 July 2020. Mrs S advised that she didn't want the account to be restricted. But things didn't run smoothly. Mrs S said HSDL advised her to attend a branch and cancel the regular payment. This then resulted in her being unable to transfer funds directly, and it took numerous calls to different departments over several weeks to try and resolve the problem. Mrs S said she was then advised she could only trade by phone; it was only some time later, after speaking to one of HSDL's agents, that she was advised she could trade online.

I find that the time taken by Mrs S in sorting this matter out would have impacted directly on Mrs H, as Mrs S had less time available to spend with her and care for her. I therefore find compensation is payable to Mrs H and I'm satisfied the sum of £150 is fair in the circumstances.

ISA transfers and regular investments

I accept that when Mrs S set up the account she asked for Mrs H's existing ISAs to be transferred from other providers to HSDL. It seems HSDL wrote to Mrs H asking for more information but Mrs S didn't see this correspondence as it was addressed to Mrs H. The transfers were delayed – but on the information before me I can't say that there would have been a loss as the transfers were done in-specie; therefore were invested throughout.

Nevertheless I'm satisfied on the information I've seen that there was a failing on HSDL's part with regard to the regular investment that Mrs S set up on the account. I should emphasise that HSDL has not answered questions posed by our investigator so the evidence is limited. That said, I have no cause to doubt Mrs S's credibility.

Mrs S set up a scheduled subscription of £1000 and chose for this to be invested in a Vanguard fund. It seems that the subscription was generally invested but that in March 2020 the scheduled subscription of £1500 wasn't invested until 29 May 2020. I find it's likely that that Mrs H would have lost out due to this delay. This loss would be quantifiable and Mrs H should be compensated as set out below.

A further scheduled subscription in June 2020 wasn't invested – but this may have been because the LPA had not been registered. It was invested with the July subscription. August and September subscriptions of £1500 each weren't invested either although it seems likely that the instruction was still in place.

When Mrs S realised what had happened she invested the monies in a different fund. It follows that it is not possible to say exactly what her loss might have been regarding these investments. But like our investigator I am satisfied that she missed out on an investment opportunity for which she should be compensated. I find that £200 is fair compensation.

I have no power to make any award to Mrs S, although I accept that she suffered inconvenience.

My final decision

My final decision is that I uphold this complaint. I require Halifax Share Dealing Limited to:

- Pay Mrs H £350 in compensation
- Compare the unit price for the Vanguard Investments UK Ltd Lifestrategy 60 Percentage Equity Accumulation fund on 22 March 2020 to the unit price on 29 May 2020; if there's a loss due to the late purchase, HSDL should credit Mrs H's account with the appropriate units.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 27 October 2022.

Lindsey Woloski
Ombudsman