

The complaint

Mr and Mrs W have complained about the time it has taken, and the treatment they have received from ITI Capital Limited ('ITI') when their joint account was migrated over from a previous firm.

What happened

In June 2020 Mr and Mrs W's share account, which they held with a previous firm that had gone into administration, was transferred over to ITI. Mr and Mrs W were meant to be able to access their account around six weeks later but there were issues with the onboarding system as Mr and Mrs W say it was not set up for joint accounts. Post onboarding ITI failed to allocate their shareholdings and cash to their account. Their portfolio had fallen in value since the previous business had gone into administration. Because of the problems they experienced Mr and Mrs W wanted to transfer their account to another platform provider which ITI had failed to do in a timely manner. They complained to ITI.

ITI responded to Mr and Mrs W's complaint on 14 January 2021. It said;

- the delay in completing the transfer was unacceptable and the timeframes for responding to Mr and Mrs W were subject to unreasonable delay.
- It had experienced a high number of transfer requests but Mr and Mrs W's new broker had been sent the valuation of their account on 5 January 2021 and was awaiting acceptance.
- It also apologised for the delay in providing access to their account.
- It offered £150 for the inconvenience and/or distress caused.

Mr and Mrs W weren't happy with the outcome so brought their complaint to the Financial Ombudsman.

ITI made an increased offer of £350 which Mr and Mrs W didn't feel was enough for the time they had spent trying to resolve the issues, the stress and inconvenience they suffered and the loss in the value of their portfolio.

Our investigator who considered the complaint thought that it should be upheld. Briefly, he said;

- Mr and Mrs W hadn't been able to access their account with ITI and had asked for it to be transferred to the new platform provider on 8 September 2020 which didn't complete until 18 March 2021.
- Despite Mr and Mrs W's considerable efforts there was little progress with the transfer until near completion.
- It was only information received from the joint administrator of the previous firm that gave Mr and Mrs W comfort that their shareholdings hadn't been lost.
- Mr and Mrs W would have reinvested dividends, corporate action proceeds and cash

totalling £635.77 at an earlier date and most likely would have sold their holding of Rolls Royce ordinary shares. But for the latter he couldn't establish there was a financial loss as the shares had risen in value since the transfer to ITI.

- If Mr and Mrs W had suffered a loss on any of their other shareholdings between 22 September 2020 – which he thought was a reasonable transfer date to assume after the instruction being given on 8 September 2020 – to 18 March 2021 this should be paid to them plus 8% simple interest over the same period.
- He also thought 8% simple interest should be applied to the cash of £635.77 from the date of transfer to ITI to the date it was paid to Mr and Mrs W's new account on 18 March 2021 as Mr and Mrs W would have reinvested the money as soon as they had control over it.
- He recommended that Mr and Mrs W be paid £350 for the distress and inconvenience they had been caused because of the delays.

ITI didn't respond to the investigator. As the complaint remains unresolved, it has been passed to me for a 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.

After doing so, I broadly agree with the conclusion reached by the investigator and I'm going to uphold the complaint. I don't think ITI has behaved reasonably however I think the suggested payment of interest for the time Mr and Mrs W were out of pocket and the £350 compensation recommended is broadly fair and reasonable.

Mr and Mrs W's inability to access their account

Mr and Mrs W held a total of five shareholdings (one of which they were told by the new platform provider was a non-transferable asset) and cash, the majority of which weren't showing correctly on their ITI account. Mrs W sent many emails and spent long amounts of time on the phone trying to resolve the onboarding of their account with ITI and being able to access it.

After considerable frustration at being unable to access their account Mr and Mrs W instructed ITI to transfer their account to another platform provider on 8 September 2020 where they already had opened an account. As I've said above, this didn't complete until 18 March 2021, over six months later. And during this time Mr and Mrs W were unsure of what shareholdings they had in their account with ITI. It was only information provided by the joint special administrator of the previous firm that informed Mr and Mrs W what had been transferred to ITI and when.

Clearly Mr and Mrs W should have been able to access their account with ITI within a reasonable timeframe which didn't happen. Nor did ITI respond to queries raised by Mr and Mrs W or complete action when it said it would. The service provided by ITI was below the levels that would be expected.

Mr and Mrs W's inability to trade

Mr and Mrs W have said they are active with their share dealing account but couldn't access it when it was held by ITI. I can see from the statement of account they set up with the new product provider they did carry out trades from July 2020, so I think it's likely they were

active investors and would have taken action with their account earlier if they could have done.

Mr and Mrs W had cash on their account which had been transferred over from the predecessor company, but they were not able to access this in order to reinvest it. Mr and Mrs W should have been able to access it and I have addressed this point further in my decision as I think they should be compensated for this.

Mr and Mrs W have also said they would likely have sold their Rolls Royce ordinary shares but weren't able to and the shares had considerably fallen in value since the predecessor company went into administration. However, and as concluded by the investigator, the shareholding rose in value from the time it was with ITI and to the time it was transferred to the new provider, so Mr and Mrs W hadn't lost out financially. And in any event, I can't see there was a firm instruction to sell the holding during the period of transfer.

So, while the delays were undoubtedly frustrating for Mr and Mrs W I haven't seen any evidence that they did try to carry out any trades during this time, which ITI failed to act upon and which caused them to suffer a financial loss.

The service provided by ITI

It is very clear from Mr and Mrs W's submissions, and the documents they have provided – they have referred to many emails and phone calls – that Mr and Mrs W's experience with ITI has been a poor one. Mr and Mrs W suffered significant delays throughout – from their initial attempts at accessing their account and their request to transfer the account in September 2020 through to trying to get the actual transfer completed.

I don't know the size of the client base that ITI took over from the previous provider that went into administration. But and as already acknowledged by ITI, I think it's likely that the new additional accounts and investments will inevitably have had an impact on ITI's capacity and ability to deal with new customers and increased requests. And it seems evident there were some IT issues.

Putting things right

That being said, it's clear Mr and Mrs W have had a very difficult time during the process and I'm sure feel stressed by the whole affair. The investigator acknowledged this by asking ITI to pay the increased offer of £350.

I've carefully considered Mr and Mrs W's points and I am aware they feel strongly about their complaint. But I have also borne in mind our long-standing approach to awards for distress caused. Clearly, it must have been very frustrating for Mr and Mrs W not being able to take any action with their account. But, after ITI's initial offer of £150 I think the £350 now offered is a fairer reflection of the distress and inconvenience caused to Mr and Mrs W.

The investigator also recommended that ITI should pay interest for the time Mr and Mrs W were out of pocket when they didn't have access to their cash of £635.77 and most likely would have reinvested it as soon as they had control over it. He thought simple interest should be paid on that amount at a rate of 8% from the date the cash was received by ITI from the predecessor firm – 23 July 2020 – to the date it was transferred to the new product provider on 18 March 2021.

I note that Mr and Mrs W reinvested the funds shortly after its receipt with the new product provider which suggests it's most likely they did want to take action with the cash. But it can't be known for sure what and when they would have done with that cash if they had access to

it sooner. So, in the absence of not knowing what action Mr and Mrs W would have taken, I agree 8% simple interest is a fair award for the time Mr and Mrs W didn't have access to their money and would otherwise have reinvested it.

The investigator also recommended that Mr and Mrs W be compensated for any loss they suffered in the value of their shareholdings during the transfer process, again plus simple interest at a rate of 8%. Having looked at the value of the portfolio between 22 September 2020 – which I agree is a reasonable timeframe after Mr and Mrs W requested the transfer – to the date of actual transfer, Mr and Mrs W's portfolio has increased in value so I can't see they have suffered a financial loss for which they should be compensated.

No doubt Mr and Mrs W will be disappointed in my decision not to uphold it any further than I have done. But I hope I have been able to explain to them how and why I have reached that decision.

My final decision

I uphold Mr and Mrs W's complaint about the service they received from ITI Capital Limited. ITI Capital Limited should compensate Mr and Mrs W as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 20 October 2022.

Catherine Langley
Ombudsman