

The complaint

Mr and Mrs M complain about delays they experienced when trying to access and sell their investments held by ITI Capital Limited.

What happened

In 2020 Mr and Mrs M's joint investment account, which they held with another firm that had gone into administration, was transferred over to ITI. At the end of July, shortly after receiving confirmation that their account had been migrated, Mr and Mrs M found they couldn't access it online. Once they could access it, they found it was only set up in Mr M's name, when it ought to have been joint. There were also problems with the number and value of the shares they could see on their account, so they made a complaint. They've said their intention was to sell the shares that were held within the account, and by the time they did, the share price had fallen.

ITI admitted they had caused the problems and offered £100 compensation. Mr and Mrs M declined the offer, as they felt it wasn't enough to make up for their time, and some of the issues were still ongoing. They also said they wanted compensation for the loss in the value of the shares. So, they brought the complaint to our service.

For clarity, Mrs M also made a complaint about problems she experienced when her personal account was transferred to ITI. ITI offered her £100 for those issues, which she accepted. So, our service has just considered the problems encountered on the joint account as part of this complaint.

An investigator at our service looked into the complaint and upheld it. He said ITI should:

- Pay £300 for the distress and inconvenience caused, less the £100 offered, if it had already been paid
- Calculate how much Mr and Mrs M would have received for their investments if they had been sold earlier. He felt the earliest Mr and Mrs M ought to have been able to access the investments was 31 July 2020 and would have submitted instructions to sell at some point during the following week. So, he said ITI should use an average of the closing prices of the shares for that week, to calculate how much Mr and Mrs M ought to have received.
- If Mr and Mrs M would have received more in August 2020 than they did when the shares were eventually sold, then ITI should pay them the difference, plus 8% simple interest from 7 August 2020 to the date of settlement.
- On the amount Mr and Mrs M did eventually receive after the shares were sold, the investigator said they should have received that money by 7 August 2020 – so ITI should pay 8% simple interest on that amount from 7 August 2020 to the date they did receive the proceeds of the sale.

Mr and Mrs M agreed with the investigator and confirmed they hadn't yet received the £100 offered. ITI didn't let us know whether they accepted the outcome and so the case 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.

Having done so, I agree with the outcome the investigator reached, for the same reasons.

It's not disputed that the problems Mr and Mrs M have experienced were caused by ITI. So, the focus of my decision is how to put things right. Both Mr and Mrs M and ITI have provided many emails from July to October 2020 which clearly show the ongoing issues, even after the complaint was looked into by ITI. Overall, the inconvenience caused was not small here, and Mr and Mrs M were naturally frustrated and worried about their lack of access to their investments. Having considered the circumstances, I think £300 is a fair amount of compensation for the trouble caused.

Mr and Mrs M initially told our service that they required at least some of the proceeds of the investments to pay for a tax bill, though later they explained it wasn't used for that. They explained they didn't trust ITI to hold their investments and decided to cash them in and move their money to a different business.

I'm persuaded that it had always been their plan to cash in their investments. Mr M indicated in an email in mid-August 2020 that he wanted to trade and throughout the last two years, he's maintained that was always his intention. They were clearly very eager for access, having already had a period of not being able to access their investments with the previous company. So, I'm satisfied that if Mr and Mrs M had been able to trade earlier than October, they'd have done so.

ITI have admitted they caused the initial delay in access and the problems with the holdings Mr and Mrs M could see on their accounts. ITI were still themselves trying to reconcile this at least as late as September, so no trading could be done until then. It appears all the issues with the number and value of shares held were resolved by 14 October – but the account was still held in Mr M's sole name and needed to be showing as joint before the sale could take place. As far as I'm aware, Mr and Mrs M sold the investments quite soon after that was resolved. So, I think it's fair to say Mr and Mrs M placed the trade and withdrew their money as soon as they reasonably could.

From the emails I've seen, I believe they did receive their log in details by 31 July 2020. That is around the time they ought to have gotten them, based on an email I've seen from ITI on 28 July 2020 showing emails were still being sent out with log in details at that time. So, I don't think it would be fair to say that they ought to have had access earlier than 31 July 2020. However, once they could log in, their holdings were not showing properly and so they weren't able to trade. Had no problems occurred, Mr and Mrs M ought to have had full access to their account to trade at this time.

I can't say precisely how soon Mr and Mrs M would have traded if they did have access at that time. I've looked at what they did afterwards and considered their testimony about what they intended to do with the money. Given their desire to withdraw I'm satisfied they'd have moved relatively swiftly. I think a week is a reasonable time for them to have made their decisions and given their instructions. So overall, I think the way in which the investigator has suggested putting things right is fair, and I've set out below what ITI should do.

My final decision

I uphold the complaint. The following amounts should be used by ITI Capital Limited to calculate the amount payable:

- A = An average of the closing price of the shares Mr and Mrs M held, over the week from 31 July 2020 to 7 August 2020 inclusive
- B = The amount Mr and Mrs M received when they sold their investments
- C = The difference between A and B
- D = 8% simple interest per year on C from 7 August 2020 to the date of settlement
- E = 8% simple interest per year on B from 7 August 2020 to the date Mr and Mrs M received the money following the sale of their investments
- F = £300 for the distress and inconvenience caused

If A is more than B, then ITI Capital Limited should pay Mr and Mrs M: $C + D + E + F$.

If A is less than B, then ITI Capital Limited should pay Mr and Mrs M: $E + F$.

ITI Capital Limited should provide details of its calculation to Mr and Mrs M in a clear, simple format.

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

Katie Haywood
Ombudsman