

The complaint

Mr W complains ITI Capital Limited (“ITI Capital”) didn’t administer his investment account properly, delaying his access to his cash and assets.

What happened

Mr W says he was unable to get in touch with or get help from ITI Capital to enable him to complete the process for starting to access his account. He has said the delay in accessing the cash in his account caused financial problems and hardship. Also he says it took too long for ITI Capital to transfer some of his assets to his new provider.

I’ve summarised some of the main interactions below. ITI Capital has pointed to over 130 emails in its inboxes from or connected to Mr W, of which it has given us a selection.

ITI Capital took on Mr W’s account in June 2020. Access to it was expected once customer verification was completed, with that process starting in late July.

On 24 August 2020 Mr W still didn’t have access to his account. He received an email from ITI Capital saying that to complete verification he’d need a *“device which has a camera and is able to connect to the internet”*. Mr W emailed ITI Capital on 26 August saying he didn’t have a device like that. It appears he also phoned ITI Capital, as he sent an email an hour or so later saying ITI Capital hadn’t answered his call and had left him on hold and cut him off. He also said ITI Capital had been ignoring his emails and had only given him a standard reply. He said he’d been in touch with the industry regulator about the problems.

In his email, Mr W told ITI Capital that his lack of account access was causing him distress and financial hardship – and that he had a health problem that made it more difficult for him to concentrate on such issues. He’s told us that as a result of this, and related health problems, he hadn’t at times dealt with this matter as efficiently as he normally should.

ITI Capital replied on 1 September 2020 saying Mr W could send documents by email instead. On 16 September it told him he could also post the documents. It said the proof of address had to be dated within three months.

Mr W told us on 4 October he had sent documents by email but hadn’t had a reply. The bank statement he sent, as proof of address, was for 2019 and so didn’t meet ITI Capital’s criteria. Mr W received no response or reply. On 26 October 2020 he asked us whether it would help if he got a solicitor involved. ITI Capital has said it has an email dated 29 October 2020 from Mr W enclosing copies of identification documents and hasn’t traced any other emails where he would’ve attached the requested documents.

On 12 November 2020 Mr W told us he’d managed to speak to ITI Capital and had resent all he’d sent, with ITI Capital agreeing to check it and get back to him within a day. ITI Capital did get back to him as agreed and told him the bank statement he’d sent was too old for it to accept. He sent a new one which ITI Capital forwarded internally on 17 November. It has a note of having spoken to Mr W about the matter on that day. Its call notes on 19 and 23 of the same month report Mr W having log-in problems.

ITI Capital has told us the account was activated on 6 December 2020. But it appears Mr W accessed it on 24 November, given that ITI Capital call notes say he reported to ITI Capital at that time that there were errors in what was shown on his account.

On 25 November 2020 Mr W submitted a request for a withdrawal of almost £6000. I gather this was made up of accumulated dividends. Mr W couldn't print the withdrawal form – as he didn't have a printer. So instead of a signed and completed form, he sent an email with the information the form requested. On 30 November ITI Capital discussed internally whether this was acceptable.

ITI Capital did pay the withdrawal based on Mr W's email. Mr W told us he received it on 4 December 2020. He believes this is only because he had involved his MP by that point.

Mr W made a number of much smaller withdrawals in December 2020 and in the early months of 2021. Cash sums appeared on his account from time to time, as a result of dividends being paid. It appears when Mr W noticed them, he went about asking ITI Capital for them to be paid to him. ITI Capital has sent information suggesting it mostly did process Mr W's requests within a few days of receiving its requirements, except for the withdrawal in early January 2021. But Mr W has told us requesting the withdrawals caused him problems.

For example, in December 2020 he corresponded with ITI Capital about not being able to request a withdrawal by email, which he wanted to do, as he had before, due to not having the hardware needed to do it otherwise. Also he says the withdrawal he received in early January 2021 arrived after 12 days, four emails and four phone calls, including a call in which he was promised a call back that he didn't receive. Mr W saw more cash in his account at the end of January and called to ask what it was – as he couldn't tell from what was shown on his online account. ITI Capital, according to its notes, told him it would call him back – so it didn't give him an answer at that point and I don't know when it did answer. At the start of February 2021 Mr W told us he wasn't getting answers or replies.

At the end of March 2021 ITI Capital said to Mr W, referring to a withdrawal request: *"Please take my apologies for the length of time taken to process your request. The whole situation is ridiculous...."*

Around about that time, Mr W called ITI Capital about a cash sum of over £7000 that had appeared on his account. He says he spent time making a number of calls to find out what the sum was, as he wanted to withdraw it. ITI Capital did call him back and told him it was a system error. Mr W was unhappy about this, given the time he'd spent asking about it and asked for compensation for his time. ITI Capital later informed Mr W that the sum wasn't an error but was a settlement related to shares he'd owned, so it was cash he could withdraw.

Mr W was also unhappy when at the start of April 2021 ITI Capital emailed him asking for identification information to allow a withdrawal. ITI Capital was already in possession of identification information for him, and had made payments to him based on it, so Mr W considered that request unnecessary. He was also unhappy that a rights issue had occurred on one of his holdings of which he says he wasn't aware until it was too late to act.

In the meantime, Mr W had decided to transfer his shares to a new provider. On 8 February that provider emailed ITI Capital with a transfer form. On 13 April 2021 Mr W told us most of his portfolio had been transferred. But he was unhappy that two shareholdings hadn't been transferred. ITI Capital has notes suggesting Mr W called it at the end of March about this.

One of those shareholdings was of little value, such that trading fees would quickly erode its value wherever it was held. I won't discuss this more here. The other shareholding, which I'll refer to below as the "X shares", was worth around £800 according to Mr W when he

emailed ITI Capital to ask whether he ought to just write this amount off to avoid further frustration. Mr W told us the X shares issue was resolved in April 2022 – roughly a year after the rest of his portfolio. It is apparent that the issue was still ongoing in January of that year.

To summarise what happened in the meantime, the shares were in paper form. ITI Capital needed these to be in electronic form before they could be traded. It has said that this was a process that depended on the registrar and was out of its control. Mr W suggested he take custody of the certificates and have them registered in his name instead. ITI Capital said this would cost £50 and Mr W rejected this in April 2021. I gather that the paperwork ITI Capital needed to do for the registrar was needed before anything could be done with the shares, including any sort of transfer or sale. It was January 2022 before that process began to approach a conclusion. ITI Capital has emails showing Mr W was chasing for progress in August 2021. As I've noted, the process concluded around April 2022.

In connection with all these issues generally, Mr W has told us: *“Don't underestimate the upset, depression misery, stress, hardship, expense and worry I've had”* which he said started in July 2020 and was ongoing in October 2021.

ITI Capital initially responded to Mr W offering him £75 in October 2020. It said sorry for the lack of account access and the slowness of giving him account access. It acknowledged he'd had difficulty uploading documents, but it maintained this process was necessary. Mr W still didn't have account access at that time and he didn't think ITI Capital's offer sufficient. As I understand it, ITI Capital still paid him this sum or something like it sometime later.

ITI Capital gave us details and evidence for Mr W's complaint in February 2022, covering events up to that point. These events were still ongoing at that time, as described above.

In April 2022 we contacted Mr W about an offer of £250 ITI Capital had made to settle his complaint. In offering this ITI Capital said it hadn't received the identification documents it needed until 29 October 2020 but there was a delay in the account not being activated until 6 December 2020. It said its offer was for the distress and inconvenience caused by the delay in setting up Mr W's account.

Mr W did not wish to accept this offer. In May 2022 our investigator assessed Mr W's complaint issues and found, in brief:

- Mr W was unable to access his account for a considerable time. He was unable to access his shares and cash. He missed out on potential investment opportunities. He was not made aware of a rights issue until it was too late. He had to continue to contact ITI Capital by phone and email in the two years it took for his issues to be resolved. These issues included missing or incorrect information shown about his shares and cash balances and receiving incorrect or contradictory messages about this from ITI Capital.
- ITI Capital's request that Mr W resubmit identification documents caused him concern as to what had happened to what he'd sent already, given these were personal confidential documents and he'd gone to the trouble of sending them before.
- Mr W told ITI Capital of his health issue and said numerous times that his lack of access to his funds was a serious financial problem for him. He has told us he narrowly avoided having this cause him debt problems.

Our investigator concluded that ITI Capital should increase its offer to £500 because £250 didn't adequately reflect the stress, worry, extreme frustration and inconvenience ITI Capital had caused Mr W. As Mr W couldn't evidence particular trades that the account problems caused him to miss out on, our investigator didn't recommend compensation for financial

losses of that kind.

In reply ITI Capital said it empathised with Mr W. It said there might have been delays in receiving post, but this was due to the pandemic. It said some delays were caused by Mr W sending an out of date statement. It said the extensive correspondence (such as the emails to which I've referred above) showed that it had been doing a lot to resolve Mr W's issues. As for Mr W getting control of the X shares, ITI Capital said this involved a third party and ITI Capital had no control over the process. It asked our investigator to reconsider in light of all this. Mr W replied to say £500 was not enough and £1500 would be more appropriate.

Our investigator's opinion didn't change. In particular our investigator noted Mr W had drawn ITI Capital's attention to financial problems and hardship he was suffering as a result of the delays, in view of which ITI Capital needed to do more to help. ITI Capital didn't reply to this so, as the complaint couldn't be resolved informally, it has been passed to me to decide.

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 decided to uphold the complaint and I've reached the same conclusion as our investigator for broadly similar reasons. I'll explain my reasons.

ITI Capital's August 2020 email was sent to Mr W about a month after he might've expected the account access process to have begun. His response makes me think he was frustrated by that and had wanted this to start earlier. Also he pointed out then that the consequences of not having account access were financially significant for him and also that his health made him less able to deal with the situation and with the frustration it was causing him.

Mr W has said the situation caused him worry about how to pay bills because he used the income from his account to pay these. He has said this affected his health. He has also said, though, that he did have an account elsewhere that he was able to draw on, and as a result wasn't as financially squeezed as he might have been otherwise.

I'm satisfied that ITI Capital is responsible for delaying Mr W's access to his account. The process of allowing him access ought to have got underway towards the end of July 2020. Mr W wasn't able to withdraw cash from his account until December 2020. This is despite that fact he was clearly very keen to get access to his cash and in late August 2020 he had already made clear to ITI Capital that the money had significant financial implications for him. It is also apparent Mr W was already frustrated enough to by then to contact the industry regulator. Later he asked about involving a solicitor and involved his MP.

I recognise that ITI Capital says it did not receive what it needed from Mr W until 29 October. Mr W told us he sent information in early October. From what I've seen I think what was sent in October involved the out of date bank statement and the up to date statement was only sent in November. But whatever the particular details of this, it is plain Mr W was keen to provide what was needed to get access to his account.

Mr W did make a mistake in what he sent. I don't think ITI Capital is at fault for the time wasted by that. Also he didn't have immediate access to the hardware needed to provide the identification requested of him in August 2020 – so this was something to be resolved and would take a little time. But I see no reason why this and the error Mr W made couldn't have been resolved within weeks if Mr W's enquiries had been treated properly by ITI Capital. If it had been providing the service Mr W was entitled to expect, and he'd been able to get his phone enquiries or his emails answered promptly, the whole process would've likely started

sooner and taken much less time overall.

I say this bearing in mind that when Mr W spoke to ITI Capital in November 2020, he was given help and was able to provide what was needed promptly. Also the amount of contact he attempted, the significance the money had for him and the other steps he took to try to move things forward through third parties, all support the conclusion that things would've moved more quickly if ITI Capital had been more responsive. But rather than weeks, it was more than four months from late July 2020 before Mr W received money he urgently wanted. So he was kept from those funds – a significant cash withdrawal he wanted - for months.

I'm also satisfied that once Mr W had access to his account, there were shortcomings in what information he was able to see there. This included errors - or at least the risk of error and uncertainty – so Mr W was unable to rely on the information like he should've been able to. I say this on the basis that Mr W called frequently to ask about sums appearing on his account – and it also doesn't appear to have been straightforward for ITI Capital to give him answers about that at the time. So I think the service he was getting from his account did make the whole process of requesting withdrawals more onerous for Mr W - even if the time taken to pay the sums was relatively prompt once he made his requests. Also Mr W blames the account's shortcomings for him getting late notice of a rights issue. ITI Capital hasn't said anything to make me think this shouldn't also be taken into account like our investigator said.

That said, I also share the view that what we have does not evidence that Mr W would've made particular alternative transactions if he'd had access to his account earlier. So what I have makes me think the main impact on Mr W here was in terms of the inconvenience, frustration and distress caused by not having proper access to a properly working account – and to cash sums he needed at the time. The situation at times was ridiculous, according to ITI Capital at the time.

Turning to the shares ITI Capital couldn't transfer in April 2021 – particularly the X shares – it appears there were reasons why these could not be transferred in the same way that other shares were. ITI Capital says the matter was out of its control, but it is hard to imagine that the further year that it took to resolve the matter could not have been shortened. That said, while this was frustrating for Mr W, I give this point limited weight when arriving at my award. This is because in my view the sums and assets that had already been transferred at that stage - and the fact Mr W at that point had some access to dividends paid from his holdings - meant the delay of these last holdings in my view had a more limited impact on Mr W's wellbeing and financial situation compared to the earlier delay in his access to the account.

ITI Capital notes the email correspondence with or for Mr W was, as at February 2022, very extensive. Over 130 emails - in its inbox alone - does indicate a lot of activity on ITI Capital's part but also on Mr W's part to try to get his account in order. On the face of it, this helps to support the conclusion that the inconvenience and anxiety suffered by Mr W, related to or as a result of this matter, was significant. As well as emails there were many phone calls too.

In saying this I acknowledge not all of the emails Mr W sent, or all the calls he made, took place as a result of faults by ITI Capital. But I'm persuaded the errors ITI Capital did make, and the shortcomings in its service, did impact on Mr W significantly. The steps he took to raise his issues with third parties, helps reinforce my view on this point.

ITI Capital has recognised it caused some delay in giving Mr W access to its account. In my view it didn't accept enough responsibility for the time taken or give enough weight to the impact on Mr W, given what he has reported about his health and financial circumstances. Also I give weight here to the distress and frustration Mr W suffered by virtue of being unable to access funds he needed – which were significant amounts for significant periods. He was unable to use these to pay bills as he would've wished.

With this and all I've said above in mind, I consider it fair and reasonable for ITI Capital to compensate Mr W for the inconvenience and distress its failings caused him. I conclude that ITI Capital should pay Mr W £500 for this.

I'm grateful to both parties for their replies to our enquiries during our investigation.

Putting things right

I find ITI Capital Limited at fault, as set out above, and so ITI Capital Limited should put things right.

To put things right, ITI Capital Limited should pay Mr W £500 for the inconvenience and distress its failings caused him.

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

My final decision

For the reasons I've given and in light of all I've said above, I uphold Mr W'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 W to accept or reject my decision before 27 October 2022.

Richard Sheridan
Ombudsman