

## **The complaint**

Ms S complains ITI Capital Limited ("ITI Capital") didn't administer her investment account properly and delayed the transfer of the account.

## **What happened**

Ms S says ITI Capital is responsible for problems including delays setting up the account, problems with her access to it, inconsistent and incorrect information shown on it and delays to a cash withdrawal and three dividend payments. She says the transfer delay also caused her extreme concern about what would happen to one of her shareholdings.

Ms S opened an account with a new provider in June 2020, so she was ready to transfer her holdings from ITI Capital. She expected access to her ITI Capital account on 22 July 2020.

But Ms S was unable to use the password ITI Capital gave her. She let ITI Capital know this, including in an email of 28 July 2020.

ITI Capital noted her difficulty in an email of 5 August 2020. In the meantime, Ms S was also providing identification documents in emails ending on 7 August 2020. At that point she also asked again for help with her password issue.

ITI Capital responded in an email on 28 August 2020. At that point Ms S was able to access her account.

Ms S asked ITI Capital on 31 August 2020 for a closure form - to transfer her account. She has also said she emailed her new provider on 3 September to arrange a transfer.

ITI Capital paid Ms S a cash withdrawal of around £1100 on 14 September. Based on when it got her request for this, ITI Capital accepts it should've paid this on 9 September instead.

Ms S says her new provider contacted ITI Capital about the transfer on 28 September. She also says it took a month to get the closure form she asked ITI Capital for on 31 August.

Ms S resent ITI Capital identification documents in or around early October 2020. ITI Capital says this was because it had expected to be able transfer documents between systems but found it wasn't able to do so.

Ms S says a dividend, worth around £200, should've been available to be put into her bank account from 22 September 2020 rather than 29 October. She says ITI Capital delayed this and two smaller dividends due in October that weren't available to her until March 2021.

ITI Capital says its own receipt of the dividends was delayed. It says it received one of the smaller dividends from the registrar only in January 2021 rather than October 2020.

Ms S also says she lost around £14 in total on the dividends due to unfavourable currency exchange costs. She says she avoided these under her previous provider by opting for dividends paid in sterling. She says she could've also avoided these costs at the new provider, to which the dividends would've been paid, if the transfer hadn't been delayed.

On 19 November 2020 Ms S told ITI Capital that the share price of a shareholding she had was higher than it was valued by an offer for that company made in late October 2020. So she wanted to sell the shares to avoid losing out if the offer took effect in March 2021. Ms S said she was unable to sell her shares due to the transfer having not yet completed. She repeated this point on 24 December 2020, noting then that the 10 December 2020 share price would've got her about £500 more for her shares than the offer price.

In February 2020 Ms S put the value of the affected shareholding at around £16000 and repeated her concern. She added she was concerned she could lose all this value if the offer resulted in the company being taken off the stock market, making it difficult or impossible for her to sell her shares. She asked for urgent action by ITI Capital ahead of a 9 March 2021 deadline. The transfer eventually completed on 3 March 2021. Ms S has told us she is no longer seeking compensation for financial losses on those shares. But she claims for distress suffered – which she says was extreme in view of the value of the shares at stake.

Ms S also claims for inconvenience and other distress caused by ITI Capital's delay of the transfer. She considers the transfer itself should've taken only a few weeks and six at most for complex assets, which her account didn't contain. The transfer actually took a great many months. Ms S has also referred to inconvenience and concern caused by other matters, including having a temporary account password for an extended time, concern about the way ITI Capital handled sensitive information, new accounts or account numbers appearing without her asking for them (for which ITI Capital has since given an explanation) and wrong and inconsistent information showing on the account.

Ms S also says that if it hadn't been for problems with her account access, she would've requested the September cash withdrawal on 31 July or 45 days earlier than she did. She thinks when ITI Capital became aware of her log-in problems, it should've done more to inform her of the cash on her account and help her withdraw funds. She says steps that would've allowed her to make a withdrawal online weren't set up on her account, so she wasn't informed and didn't know how to make the withdrawal. She also says she made a withdrawal request by email on 28 July 2020 but did not receive a reply.

Ms S has also said ITI Capital delayed payment of a sum she accepted to settle her complaint. She later said she rejects that offer. I'm considering here ITI Capital's handling of Ms S's account rather than its handling of her complaint, so I'll say no more on this point.

The above includes my summary of Ms S's points and doesn't include all the points she has made, but I have considered all the points she has made and all she has said and sent.

ITI Capital has accepted there were problems and delays. It has said Ms S's account access was subject to unacceptable and unreasonable delay. It has said the transfer was subject to unacceptable and unreasonable delay. It doesn't agree that all the dividends were delayed as much as Ms S says. Also it doesn't accept a currency exchange charge was responsible for a £14 reduction in Ms S's dividends in the way she says – it doesn't recognise that issue in the terms in which Ms S has raised it.

Our investigator didn't think ITI Capital was at fault for that £14 reduction. Our investigator didn't think ITI Capital had to offer Ms S the options her previous provider offered (that she says helped avoid those costs). Ms S replied saying she had given enough reason for why she should recover this amount.

Our investigator agreed with Ms S that her dividends had been delayed but didn't think separate redress for this was warranted, in view of the very small amounts involved.

Our investigator thought ITI Capital should pay Ms S 8% interest on the delayed withdrawal

for the time ITI Capital delayed it, counting from when it received its requirements from Ms S. ITI Capital questioned whether interest ought to be awarded for such a short delay. Our investigator thought what ITI Capital said suggested the delay was slightly less, at five days, than first calculated but still thought ITI Capital should pay interest for that period. ITI Capital hasn't commented on that since. Ms S replied to say she found it unfair for interest on the withdrawal to run for only five and not for 48 days.

Our investigator thought ITI Capital should compensate Ms S for the inconvenience and distress its failings caused her. Ms S replied to say £350 for this is insufficient even for just the transfer delay, given how long it was, and such a sum nowhere near reflects the impact on her of the problems she'd experienced, particularly stress and anxiety.

As the matter couldn't be resolved informally, it has been passed to me for a final 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've decided to uphold Ms S's complaint. I do so on broadly the same basis as our investigator. I'll explain my reasons.

In brief summary, I'm satisfied ITI Capital failed to provide Ms S the service it ought to have given her. In particular it took too long to arrange her transfer.

Turning to specific financial losses Ms S has pointed to, the largest is a reduction in her dividends of about £14 (in total) due to currency exchange costs she says she wouldn't have suffered if ITI Capital had offered the facility to request the dividend payments in sterling. She says both her previous and her new provider would've allowed this.

But in my view ITI Capital was not required under the terms of any agreement to offer the same service as her previous provider in this respect. The terms relating to comparable charges for a period with ITI Capital in my view don't apply here. Also I don't agree that it was unfair that ITI Capital's service didn't offer this facility.

As for whether the terms of the new provider should be considered instead, I don't overlook the problems Ms S had with her account from the start. Also her request for the correct form from ITI Capital in late August was not resolved until late September. But if ITI Capital hadn't delayed things, I'm not persuaded the transfer most likely would've completed in time for the dividends to be paid to her new provider. I note for example the first and largest was due on 22 September with an ex-dividend date some weeks earlier. I note in passing Ms S's new provider contacted ITI Capital in late September after her contact in early September.

So I don't uphold Ms S's claim for the loss of around £14 (in total) she says was the result of all this and I don't include that in my award.

I've considered the delay on the September 2020 withdrawal. Ms S requested this soon after getting access to her account and it was paid to an account she'd set up in advance. If she'd been able to access her account earlier, she would've been able to ask for the withdrawal earlier. She asked for help with her password a few times. ITI Capital noted her difficulty on 5 August but didn't help until 28 August, despite her asking again on 7 August. ITI Capital should have helped earlier. It is accepted that processing the withdrawal request was delayed by five days. But Ms S would've been able to request it at least two weeks earlier if she'd had help earlier – so in my view the delay is better viewed as 20 days rather than five.

On that basis the financial impact is still very small, and in my view the material impact was instead by way of the inconvenience for Ms S and fairly dealt with as part of the overall inconvenience. But given what has been said by the parties during our consideration of this complaint, and given the delay was not just a few days, I don't see a reason to depart from the approach our investigator suggested to assessing and redressing the financial loss on the withdrawal. I think it fair and reasonable to adopt that here in all the circumstances. So I've reflected this in my award below. I don't overlook what Ms S says about requesting the withdrawal in a July email, but I'm not persuaded ITI Capital ought to have made payment based on that, given that identification and verification processes were ongoing at the time.

Turning to what Ms S says about the delay in her receipt of dividends, ITI Capital has told us it received the smallest of these from the registrar in January 2021 and not in October 2020 like Ms S thinks. It says it received the dividends after the payment dates and can't say why but it says this is a matter for the registrar. That said, Official Bank rate at the time was 0.1% and would yield around eight pence if applied to all the dividends and for all of the periods Ms S has cited. A different interest rate would yield a different result but I agree with the investigator that inconvenience is the material impact of any delay for which ITI Capital is responsible in this respect and it is fair to address this as part of the overall inconvenience caused to Ms S by ITI Capital's failings.

Ms S has said she suffered a great deal of stress, strain, and alarm, and was put to a great deal of trouble. She says she checked her account regularly because of concern about the safety of her assets or at least whether they had been recorded correctly. She has said it was a strain trying to work out what needed to be done and how she could get those various steps done. From what I've seen it is beyond argument that Ms S had to do more of this sort of thing than she would've had to do had ITI Capital been administering her account as it should've been. Ms S says it all required very considerable patience and there was a lack of support and explanation, and inadequate responses, or no responses, to her emails.

In my view Ms S's characterisation of the situation is fair. ITI Capital has accepted it didn't perform adequately in terms of either the running of the account or the processing of the transfer. I think errors by ITI Capital, in particular the transfer delay, did cause and contribute to Ms S suffering inconvenience in connection with ITI Capital's handling of her account. Given the concerns she had about the potential impact of the transfer delay on a significant investment she held, I accept that as well as the inconvenience from having to wait for and chase up progress, the delay was also stressful – and this deserves emphasis. The stress is apparent in the nature of the correspondence Ms S sent to ITI Capital about this at the time.

Ms S's concerns included anxieties about outcomes that didn't occur, but she feared might. But in large part those concerns couldn't have arisen if it hadn't been for ITI Capital's failings. Her concerns about the shareholding that was subject to an offer, for instance, wouldn't have arisen if the transfer hadn't been delayed. So her concerns were in large part caused by ITI Capital's failings and it bears responsibility in my view for much of the resulting distress. I'd add I've seen little to suggest ITI Capital did much to help Ms S manage those concerns.

With all I've said above in mind, and taking into account all Ms S and ITI Capital have said, I consider it fair and reasonable in all the circumstances for ITI Capital to pay Ms S £400 for the inconvenience and distress its errors caused her.

I'm grateful to both parties for their replies to our enquiries during our investigation and to Ms S for the detailed summaries she has provided and files of supporting documents, which have assisted our consideration of these matters.

### **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 Ms S 20 days' simple interest at the rate of 8% per year on her September 2020 cash withdrawal.
- Pay Ms S £400 for the distress and inconvenience it caused her by its failings.

If any of these sums aren't paid to Ms S within one month of ITI Capital Limited being notified of Ms S's acceptance of this decision, then ITI Capital Limited should pay Ms S simple interest on any outstanding sum at the rate of 8% per year from the date of my decision until the date ITI Capital Limited pays Ms S the relevant amount.

### **My final decision**

For the reasons I've given and in light of all I've said above, I uphold Ms S'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 Ms S to accept or reject my decision before 5 October 2022.

Richard Sheridan  
**Ombudsman**