

The complaint

Mr P has complained that ITI Capital Limited ('ITI') won't provide him with a share certificate for a company in liquidation in which he is a shareholder.

What happened

In July 2020 Mr P's two accounts, which he held with a previous firm that had gone into administration, were transferred over to ITI. Mr P wanted to transfer his accounts – which contained two shareholdings – away from ITI to another platform provider where he already held an account. One of the shareholdings was transferred but not the other.

The shareholding was in a company I shall refer to as 'Company A' in my decision and which was in the process of being wound up by the court. Mr P wanted the share certificate and sent ITI £50 – as requested by ITI for the service – in order for the certificate to be provided in his own name, and not retained in the nominee name of ITI.

Mr P was then told ITI couldn't provide a share certificate because Company A was in liquidation. It said there was nothing it could do. ITI asked for Mr P's bank details in order to refund the £50 as its own bank didn't issue cheques or process the automatic return of the deposit. Mr P was reluctant to share this information as he was very concerned about his privacy. However, he did provide this information and the £50 was refunded to him.

Mr P raised a complaint with ITI, and not being satisfied with the outcome brought it to the Financial Ombudsman. Mr P would like a share certificate for his holding in Company A and all of the personal information he gave to ITI for the refund to be removed from its servers as well as the money he paid out in bringing his complaint.

Our investigator who considered Mr P's complaint thought it should be upheld. She said;

- ITI should have been more proactive in contacting Mr P and keeping him updated.
- It was frustrating for Mr P to have had to contact ITI repeatedly and it should pay him £100 for the distress and inconvenience he had been caused.
- Mr P wanted ITI to delete any data he had provided about his withdrawal of the £50 and ITI should contact him if it needed anything further to facilitate this.

ITI accepted the investigator's opinion.

Mr P responded by saying the investigator hadn't said anything about the resolution he wanted for his share certificate in Company A so didn't accept the outcome. ITI confirmed it had been in touch with the liquidator of Company A and that no certificate could be provided.

Mr P confirmed he had been in touch with the liquidator who advised him to refer to the registrar of Company A which he did and was told it could issue a share certificate. The investigator referred back to ITI about this but didn't receive a response.

As Mr P didn't accept the outcome the complaint 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.

The share certificate

Company A is in liquidation. Even so, my understanding is that Mr P still remains a shareholder. Mr P has said that he would like for a physical certificate in his name because even though the company is in liquidation – and he has told us it is also subject to regulatory and fraud investigations – he needs the certificate in case there is any opportunity for him to make a claim as a shareholder.

ITI told us it had been in touch with the liquidator who had advised that a share certificate couldn't be produced because Company A was in liquidation.

Mr P doesn't agree with this. He also contacted the liquidator and took the action as advised to him about contacting the registrar of Company A. He forwarded on to us the email he received in response from the registrar.

I am aware that email does not specifically refer to Company A's shares and accept it may be in response to a generic request about share certificates rather than specifically about Company A which is in liquidation where I appreciate the response may have been different.

The email from the registrar said that it would require a letter confirming the details of where the shareholding was then currently held and the name and address of Mr P plus a statement to the effect that the certificate had been lost or misplaced and it should be signed by all named holders of the account – which I assume was ITI's nominee company. Then its registration department would issue an indemnity form which may be liable for a fee and that it may also need to be countersigned – usually – by a bank or insurance company.

This refers to how a lost or misplaced physical share certificate would be replaced. However, and as I've said above, I assume the shareholding is currently in the nominee name of ITI, so is not lost or misplaced. This complaint is about a request for re-registration.

It is my understanding that in order for a shareholding to be removed from a nominee name such as ITI's and re-registered into Mr P's own name and address – and a physical certificate to be produced – it would be for ITI's nominee to contact the registrar to make such a request.

From what ITI has told us, it has only contacted the liquidator rather than the registrar so far. So, in order to resolve Mr P's request for a share certificate – or ascertain whether one can be produced – ITI should contact the registrar in the first instance and request for the production of a share certificate for Mr P in his own name and address if possible.

It might be that ITI or the registrar may have to refer to the liquidator to ensure this can proceed. If a certificate cannot be produced ITI should provide written evidence from the registrar and/or liquidator for Mr P confirming this is not possible.

If a certificate can be produced then Mr P will need to bear the cost of that but ITI should let him know in advance how much it will cost to make sure he still wants to proceed with the action bearing in mind Company A is being liquidated.

The service provided by ITI

It is clear from Mr P's submissions that Mr P's experience with ITI has been a poor one.

I don't know the size of the client base that ITI took over from the previous provider that went into administration. But 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.

Putting things right

That being said, it's clear Mr P feels stressed and inconvenienced by the whole affair and hasn't reached a satisfactory outcome regarding his request for a share certificate. The information he has been given by the registrar of Company A contradicts what he has been told by ITI.

I have borne in mind our long-standing approach to awards for distress caused. Clearly, it must have been very frustrating for the delays Mr P experienced and bearing in mind the trouble Mr P has been caused and ITI not being quicker in responding to him, I think an award of £100 to be a fair reflection of the distress and inconvenience caused to Mr P.

The data held by ITI

ITI accepted the investigator's opinion that it should delete any data it holds regarding Mr P's withdrawal. I understand that legally it might have to retain information for a set time period but as soon as is practicable, ITI should remove any data it does hold.

In conclusion, if possible ITI should arrange for a share certificate in Mr P's name for his shareholding in Company A. Or alternatively provide written evidence for Mr P from the registrar and/or liquidator that this is not possible. It should pay Mr P £100 for the upset he has been caused and remove any data it holds about Mr P's withdrawal as soon as possible.

My final decision

My final decision is that I uphold Mr P's complaint. ITI Capital Limited should put the matter right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 November 2022.

Catherine Langley
Ombudsman