

The complaint

Mr and Mrs B complain that Interactive Investor Services Limited (Interactive) restricted Mr B's account access and prevented him from using part of his (Individual Savings Account) ISA allowance in the 2020/2021 tax year. They also complain that Interactive refused to honour the Joint Trading Account (JTA) price advertised on its website.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I would like to assure Mr and Mrs B that I've had sight of all communications in this complaint, including all post view communications with the Investigator. I may not comment on each point individually, as my decision will focus on the most pertinent points, but I have considered all the information.

Access issues

It's not disputed that Mr B was locked out of his account by Interactive. Mr B feels that this error falls under the description of a 'hacking' of his account. I've thought about this carefully, but none of the evidence provided suggests any hacking took place. Instead it all suggests what has already been established – Interactive accidentally changed Mr B's log in credentials when transferring accounts. The evidence provided to date suggests the loss of access to his account was an administrative error and so I'm satisfied this is the most likely explanation of what happened.

In any case, I'm satisfied that the lack of access and subsequent delay in providing access did cause Mr B some inconvenience and concern about the safety of his account, and that the offer of £30 originally made by Interactive falls short of appropriately recognising this impact.

ISA allowance

I'm also satisfied the error meant Mr B was denied the opportunity to deposit £10,000 into his ISA at the very end of the 2020/2021 tax year. So if Mr B was able to demonstrate that he'd used all his ISA allowance in the 2021/2022 year I'd be satisfied that there was enough evidence of financial loss in this aspect of his complaint.

But whilst Mr B has been asked several times if he'd be willing to provide evidence that he deposited the full yearly allowance into an ISA during the 2021/2022 tax year I can't be satisfied from the submissions made that he's done so. Mr B has provided a large amount of

additional material, however none of it demonstrates that he deposited a total of £20,000 into his ISA during the 2021/2022 tax year.

Mr B has provided evidence of some trades on another account that he made in April 2021 – however these only go so far as to demonstrate that some shares were purchased. It doesn't show the deposit of additional funds or confirm that these trades were within an ISA. Mr B has also provided his own workings out of his perceived loss via an editable spreadsheet, but as these are self-created I can't say I'm persuaded by these on the balance of all the evidence available to me. Mr B's also referred to future losses, but I can't see evidence of any particular trade he was planning on making or any evidence that shows he'd used his full allowance in the subsequent year.

Mr B has contended that he's unable to provide this evidence as he feels firms do not provide end of year information on ISA's as they're not required to do so. I've considered his point carefully, but I'm still satisfied that the option to provide some form of statement or audit log to demonstrate he'd paid cash into an ISA account is available to him.

Mr B has suggested that he shouldn't be expected to invest his full ISA allowance in the year as investments are very reliant on timing and down to personal choice. I agree fully with his point, but the focus here is instead on whether he deposited the full allowance, there is no expectation for him to have traded the amount. To be clear – I'd have only needed to see that the full allowance for the following tax year had been deposited into some form of ISA. If Mr B is instead suggesting that he chose not to deposit funds into an ISA due to market conditions and his own personal choice of timing, then I'm satisfied it wouldn't be fair to hold Interactive Investor responsible for the implications of such a decision.

As I can't be satisfied that Mr B has used the rest of his 2021/2022 tax year allowance, I can't say he's suffered a financial loss in this aspect of his complaint. Instead I feel that any recommendation for putting things right should be based around the distress and inconvenience he's suffered due to the issues experienced with Interactive.

JTA Fees

It's no longer disputed that Mr and Mrs B were shown an incorrect fee structure on Interactive's website when they decided to take out the JTA. I'm satisfied Interactive's terms allow it to amend its fees for reasons such as errors. But I'm also persuaded that Mr and Mrs B were subsequently charged £9.99 in fees in April 2021 which they would otherwise have not paid as they wouldn't have taken out the account had the correct pricing been shown. I'm convinced of this because they've since closed the account over the matter.

Mr B has also suggested that if Interactive had provided the account sooner he would've saved further costs, but on the same logic as above I'm not satisfied this would have been the case as the incorrect price was not one that would've been maintained.

In summary, Interactive need to do more to put things right.

Putting things right

I understand that Mr B thinks his hourly rate should be the basis for compensation but as has already been explained this isn't how we'd approach this. Instead we consider each case based on its own individual merits and assess the impact the issues experienced have caused.

I can see Mr B was denied access to his account for several days, and in that time he was concerned about the security of his account and had to contact Interactive to resolve the

matter. Mr B was clearly upset to miss the deadline for the current tax year, and disappointed that the account fee was incorrectly displayed. Taking all this into account I think the recommendation by our Investigator of £100 in total for the distress and inconvenience experienced is a fair and reasonable one.

So, to put things right, Interactive should:

- Refund the April 2021 £9.99 account fee.
- Simple interest on this amount, from the date the amount was paid to the date of settlement. The rate of interest is 8% a year[†] – this is for Mr and Mrs B being deprived of this sum of money over this period.
- Interactive have already made a payment of £30. It should pay a further £70 to acknowledge the impact its errors have had on Mr B, bringing the total to £100.

[†]HM Revenue & Customs requires Interactive Investor Services Limited to deduct tax from the interest payment referred to above. Interactive Investor Services Limited must give Mr B and Mrs B a certificate showing how much tax it's deducted if they ask for one.

I'm satisfied that this would be a fair and reasonable resolution for the complaint.

My final decision

For the reasons I've explained, I uphold this complaint and direct Interactive Investor Services Limited to carry out the instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 27 April 2023.

Paul Clarke
Ombudsman