

The complaint

Mr O has complained that he has been unable to sell certain shares, held within an ISA, through the Halifax Share Dealing Limited (HSDL) platform.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my decision.

I issued a provisional decision on 5 September 2022 where I set out why I felt the complaint should be upheld and what I felt the redress should be. An extract is below and forms part of this decision.

I am now of the view that the complaint should be upheld in full. I'll explain why. I remain satisfied from the answer by HSDL that Mr O's shares continue to be untradeable on their platform. I appreciate that Mr O disputes this. However, we've made all reasonable attempts to confirm this is the case. I can't be sure, so instead I have to decide on a balance of probabilities, whether I think it is more likely than not that the answer regarding the restriction of trading is correct. The answer given by HSDL legal team, which I have shared with Mr O, sounds reasonable and I haven't been provided with any further evidence to dispute it.

Mr O was paid £100 for not being told before August 2019, of the removal of the option to trade these shares online. He accepted this and I feel it was fair. It seems a workaround was available at the time, to trade the shares over the phone. Mr O has disputed whether it was. However, as with above, I am satisfied with HSDL's answer that it was possible for a time.

I think HSDL should have contacted Mr O and made him aware when this option to trade over the phone was being removed. HSDL seem to suggest this wasn't something they would do, but they have acknowledged they should have told Mr O when the option to trade the shares online was removed. Whilst I understand they're providing an execution only service, I think it would've been fair to let Mr O know that this service was being restricted.

I have next considered what Mr O would have done, had HSDL told him about this change. The only option seems to be to have transferred out to a different provider whose platform can still be used to trade these shares. HSDL has suggested that this is possible. I am satisfied that Mr O would have then sold his shares through this other platform on 5 February 2021, the date he contacted HSDL to attempt a sale.

Mr O calculates his loss as the difference between the share price now and what he would have got if he was able to sell the shares in February 2021. However, as Mr O still holds the shares and their value could recover and increase, it wouldn't be fair to pay him this amount or he might be over compensated. I think it would instead be fair to pay compensation of £400 for denying him the opportunity to transfer his shares sooner and the impact this had.

I also think HSDL have caused Mr O further distress and inconvenience with this issue. They have continuously failed to answer reasonable queries about it and have only recently after

almost 18 months, provided a response as to why the restriction is in place. I think they should pay Mr O a further £200 compensation for the impact this has had on him.

HSDL responded to say that they had nothing further to add and accepted the findings of my provisional decision.

In response to my provisional findings Mr O provided numerous comments, which I have summarised below:

- Mr O maintains that he should have been informed of any changes impacting his right to trade the shares.
- Mr O continues to dispute whether there was an option to trade the shares over the phone for a period of time and doesn't think there is sufficient evidence of this.
- Mr O is not satisfied with the response that the shares are not tradeable still.
- Mr O believes he is entitled to the full difference in share price to the date he was going to sell the shares and is worried about the impact on his ISA wrapper.

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.

Whilst I acknowledge Mr O's response and the obvious frustration he continues to feel, my decision remains as set out in my provisional findings.

I agree that HSDL should have done more to let him know of any change restricting his ability to trade his shares with them. Whilst I am satisfied there was a workaround for a period of time allowing his shares to be traded on the phone, I am still compensating him for the difference in the share price between now and the date he was looking to trade the shares.

However, as I set out in my provisional findings, Mr O continues to hold the shares and they could recover in value. If they did so, and HSDL had already paid him the difference, he would be over compensated. Mr O hasn't provided any alternative method of redress that would avoid this.

Mr O has mentioned the impact of losing ISA status for the funds. However, I haven't been provided with any reason to suggest that these shares couldn't be transferred out to another platform, within the ISA wrapper. He would therefore retain any tax efficiency should they increase in value. The distress and inconvenience compensation would be paid separately to Mr O. Further, Mr O hasn't provided any dispute to the further £200 being a fair amount and so that stands.

My final decision

My final decision is that I uphold the complaint and to put things right Halifax Share Dealing Limited should pay Mr O a total of £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 14 October 2022.

Yoni Smith

Ombudsman