

The complaint

Mr S complains that Halifax Share Dealing Limited trading as IWeb Share Dealing caused him a financial loss due to incorrect information being displayed on their website.

What happened

One of our Investigators looked into what happened and thought that IWeb should pay some redress to put things right. IWeb didn't agree with the redress so the complaint came to me for a decision.

After reviewing the complaint I came to the same overall outcome as our Investigator; that some redress was due for what happened. However I thought a different form of redress was appropriate. I issued a provisional decision on 19 August 2022 which said:

Mr S held shares in a company I will call CE. In early 2021 IWeb displayed information on their website about an upcoming dividend showing an ex-dividend date of 7 January 2021. Based on this information Mr S sold his shares on that date. Under normal circumstances for the distribution of dividends this would mean that Mr S would be entitled to the dividend payment. However the correct ex-dividend date was 11 January 2021. Because, based on the information from IWeb, Mr S had sold his shares before then he didn't receive the dividend.

Unfortunately IWeb hasn't meaningfully engaged in the complaint process when dealing with our Investigator. This means that I need to come to a decision in the absence of information about the situation. To do this I have made several assumptions about what happened:

- that IWeb act as nominee for the shares held by Mr S*
- as nominee IWeb had access to information about the dividend payment dates*
- and that IWeb didn't tell Mr S directly about the timetable for the dividend*

Mr S's account is held on an execution-only basis. This means that IWeb is expected to carry out trades but it doesn't provide any advice. The shares are electronic without a physical share certificate. This means IWeb act as the nominee – the legal owner of the shares - and Mr S has the beneficial interest. This also means IWeb gets the communications from the companies that Mr S holds shares in – such as company CE.

Unless IWeb can show they gave Mr S information about the correct dividend dates I think it's reasonable that he can rely on information from the website. Information all parties now agree was wrong. This is especially important here because this was a special dividend process and didn't follow the usual order of dates.

IWeb say they aren't responsible for any third-party information displayed on their website. And I agree that terms and conditions say this. But my role is to look and see if I think IWeb has acted fairly and reasonably – and I don't think they have.

Based on the assumptions I've been forced to make above, I think IWeb were directly aware about the dividend dates for company CE. Rather than communicate this to Mr S they chose to rely on third party information, which turned out to be incorrect.

Of course it's possible IWeb weren't made directly aware, but as nominee they have access to full details of corporate actions such as this special dividend. In this case in particular, the record date was correct as 8 January 2021, but with this special dividend, it was the record date that determined if the special dividend would happen and then set the ex-dividend date as 11 January 2021.

Whilst I appreciate all platforms rely on third party information, I think IWeb was able to know the information it was displaying was wrong, or could've given Mr S the information to know it might be wrong – that is that the special dividend wasn't going to be confirmed until the record date on this occasion. As I can't see it did either of these things, I think it's fair Mr S relied on the information IWeb was displaying and I think it needs to take responsibility for this.

IWeb are the expert in these matters and I don't think it's fair or reasonable that in this particular set of circumstances they are able to waive all responsibility. So IWeb should put Mr S back in the position he would be in had the correct information been displayed or communicated to him directly. They should also make a payment for the inconvenience caused by what happened.

Had the correct ex-dividend date been displayed I'm satisfied Mr S would've kept the shares until that date and sold them at the first opportunity afterwards. This means he would've been entitled to the dividend.

IWeb should calculate the dividend amount Mr S was entitled to for his number of shares. They should then work out the sale price of the shares at the first available opportunity on the ex-dividend date. This should be compared with the amount Mr S received when he sold his shares prematurely due to the incorrect information. IWeb should then pay Mr S any difference so he hasn't suffered a financial loss. They should also provide their calculations.

IWeb should also pay Mr S £100 to recognise the distress and inconvenience of what happened.

I asked both parties to provide me with any further submissions they had before I issued my final decision.

IWeb replied providing the calculations for the redress I proposed which showed that Mr S didn't suffer a financial loss due to what happened. IWeb didn't agree to the £100 payment saying that the position of Mr S had improved from what happened so they didn't see a rationale for the payment.

Mr S said that he didn't have any further comment to make. And when provided with the calculations showing there was no financial loss from what happened we weren't provided with a response.

The complaint has now been passed back 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 find myself coming to the same conclusion I did in my provisional decision, and for the same reasons.

Looking at the calculations provided by IWeb I'm satisfied that Mr S wasn't financially disadvantaged by what happened so there is no payment to be made for that aspect of the complaint.

IWeb should however still pay Mr S £100 for the inconvenience of what happened. IWeb have said they would agree to this if I could explain why a cash award should be paid bearing in mind that the information Mr S relied on improved his position. They also said there had been a significant cost to them with the complaint.

Whether or not Mr S incurred a financial loss doesn't affect my opinion that a payment of £100 is a fair and reasonable way of resolving the complaint. It's agreed that Mr S relied on incorrect information on the IWeb website and that this caused him inconvenience. Mr S was put to some worry and concern thinking that he had been financially affected by his actions which he based on the incorrect information. It turns out that Mr S didn't suffer a financial loss, but it took some time for this to become clear.

Having carefully considered everything that happened I'm satisfied a payment of £100 is a fair and reasonable way of resolving the complaint.

Putting things right

Halifax Share Dealing Limited trading as IWeb Share Dealing should pay Mr S £100 to put things right for the inconvenience caused.

My final decision

For the reasons I've explained above, my decision is that I uphold this complaint.

Halifax Share Dealing Limited trading as IWeb Share Dealing should pay Mr S £100 to put things right for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 October 2022.

Warren Wilson

Ombudsman