

## **The complaint**

Miss A complains ITI Capital Limited (“ITI Capital”) didn’t administer her account properly and delayed its transfer, causing her stress and a loss of investment opportunities.

## **What happened**

Miss A signed a transfer form in September 2020 and her new provider contacted ITI Capital to request the transfer of her account. It resent this request in October 2020. Meanwhile Miss A became unhappy in September that transfer forms ITI Capital was asking her to complete asked for irrelevant or duplicate information. She was concerned that, amongst other things, her cash might be removed from its ISA wrapper as a result. She was also concerned that more delay might mean the transfer completing after the six months fee-free period she had with ITI Capital, and so result in her incurring fees.

ITI Capital replied in November 2020 to Miss A’s complaint. The transfer had not yet been carried out. ITI Capital apologised for the service and for the time transfers were taking - and offered Miss A £125 for this to settle her complaint.

Miss A rejected ITI Capital’s offer, pointing out, amongst other things, that there had already been a lengthy account verification process starting when her account arrived at ITI Capital in July 2020 and finishing only in September 2020. Miss A expressed concern ITI Capital would hang on to her funds indefinitely and use the large number of transfer requests it had received as an excuse for this. Miss A also said the delay had cost her thousands of pounds due to having been unable to sell badly performing shares and buy better ones.

ITI Capital replied to this at the end of November 2020, saying Miss A could still trade by phone if she wished. Also ITI Capital would not increase its offer or consider redress for missed investment opportunities without more specific evidence of the particular trades Miss A had wished to make and had been unable to make. Miss A remained dissatisfied and referred her complaint to us in early December.

Miss A’s holdings were transferred out by ITI Capital in early December 2020 and her cash followed later that month. A small payment of dividends followed in January 2021.

Our investigator told Miss A in March 2022 that ITI Capital had increased its offer to £350 and that this was fair. Miss A didn’t agree and thought the offer should be higher and include redress for missed investment opportunity. She said she couldn’t have traded at ITI Capital because her account was not a trading account, so she was stuck until the transfer was complete. She said calculating the actual loss this caused – in terms of missed investment opportunities - is difficult but this doesn’t mean there shouldn’t be compensation for it.

Miss A also thought she’d been paid £24 too little when her cash was transferred. Our investigator didn’t agree and asked Miss A to provide more evidence to show this. In reply Miss A has said ITI Capital failed to recover and include withholding tax of £31 deducted from her real estate investment trust income. She says the ISA she held should’ve meant – and had meant in the past – that this tax was reclaimed for her by the provider. She says reclaiming this now, if possible, will likely be harder due to ITI Capital’s delay.

We referred Miss A's letter to ITI Capital and explained to Miss A and ITI Capital that the complaint would be referred for a final decision. We received nothing more from either party.

As Miss A's complaint 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 Miss A's complaint in part. I'll explain why.

It is not disputed that ITI Capital took too long to transfer Miss A's account and I share that view. I note the transfer mostly completed in December 2020 – over two months after the September request, with most of Miss A's cash arriving after her investment holdings later in December. A small payment was made in January 2021 of some income that had arisen since the transfer request. This doesn't change the overall picture very much in my view, given the small sum involved.

It is appropriate to bear in mind that before the delay that followed the September transfer request, there was a period of around two months taken for the verification process to be carried out. So the process took a long time overall – making the impact of ITI Capital's delays worse for Miss A.

Also if the transfer had happened sooner, Miss A would've been able to place trades with her new provider sooner. So this and what I've said above provides the context against which I've assessed the stress and inconvenience ITI Capital's failings caused Miss A.

Taking that overall picture into account, I do think Miss A suffered stress as well as inconvenience, such as wasted time, due to ITI Capital's delay and the failings in its service. With this in mind, I think it fair and reasonable for ITI Capital to pay Miss A £350 as redress for this. Bearing in mind also what ITI Capital has sent showing tax deducted from income paid into Miss A's account, and what Miss A says about the difficulty of reclaiming this after all this time, ITI Capital should also pay Miss A £31. I say this having considered all that both parties have said about this topic.

I've thought carefully about what Miss A has said about not having a trading account and how as a result she couldn't make trades, even by phone, and hadn't agreed to ITI Capital's terms. But I'm not persuaded that it would be fair and reasonable, by virtue of the situation she describes, to award her redress for missed investment opportunity in the form of losses she might have avoided or gains she might have made if she had traded during that period.

I say this first because there's no clear evidence of Miss A wanting to make particular trades of particular amounts at particular times during the transfer delay – so I have nothing to show that Miss A missed out on particular profits.

Also, trading brings with it the prospect of making greater losses or lower gains, as well as the possibility of higher gains or lower losses. So without clear evidence of what Miss A might have bought or sold, and when this might have happened, I can't say that this trading would have improved Miss A's situation rather than made it worse. It follows that I can't identify a financial loss arising from ITI Capital preventing Miss A from trading. In these circumstances, I do not think it fair and reasonable to award redress for such financial loss.

I note that in November 2020 Miss A said ITI Capital's delay had stopped her from being

able to sell underperforming holdings. But some of Miss A's holdings that before July 2020 had fallen significantly in value, were worth more in November or December 2020 than they were between July and October 2020. So Miss A would've got less if she had sold those earlier than that. This is not to say that Miss A is bound to have picked the wrong holdings to sell or buy – I don't know what she would've bought or sold. I just make the point that there's no guarantee Miss A's position would've improved as a result of trading and altering her holdings – the results could've been positive or negative depending on the particular trades.

Miss A did not approach ITI Capital about particular trades she wanted to carry out and no other evidence has been presented of specific trading intentions held by Miss A at the time. ITI Capital says Miss A could have placed trades by phone. Miss A doesn't think she could have. But even if she is right, and I reach no concluded view on that, I still have no evidence of specific profitable trades that Miss A would most likely have carried out had it not been for ITI Capital's delay of the transfer. So I don't think lost investment opportunities caused by ITI Capital led to Miss A suffering financial loss and so I make no award for that.

So I uphold Miss A's complaint to the extent and for the reasons I've explained above.

I'm grateful to Miss A for the documents she sent and the detailed summaries she provided, which greatly assisted our investigation. I thank the parties for the help they have given us.

### **Putting things right**

ITI Capital Limited is at fault and should pay Miss A £381 to put things right.

If ITI Capital Limited doesn't pay Miss A this sum within one month of receiving from us notification of Miss A's acceptance of my decision, ITI Capital Limited should also pay Miss A simple interest on the sum at the rate of 8% per year from the date of my decision until the date ITI Capital Limited pays my award.

### **My final decision**

For the reasons I've given above, I uphold Miss A's complaint. I order ITI Capital Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 16 November 2022.

Richard Sheridan  
**Ombudsman**