

The complaint

Mr and Mrs H have complained about the time it has taken, and the treatment they have received, from ITI Capital Limited ('ITI') when their account was migrated over from a previous firm.

What happened

In July 2020 Mr and Mrs H's share account, which they held with a previous firm that had gone into administration, was transferred over to ITI. Mr and Mrs H experienced problems with the onboarding of their joint account – the account was set up in Mr H's name only – shares and/or cash were shown with incorrect values, there is no audit trail and the history was impossible to understand.

To put the matter right they would like a transaction schedule that showed the account tallied with when it was transferred over from the previous business plus all the dividends since. They wanted the joint account to be updated with the correct details.

Their dealings with ITI had been difficult, stressful and Mr and Mrs H were going to transfer their account to another broker.

Our investigator who considered the complaint said, briefly;

- ITI had told this service it was correcting its system to show the account in joint names.
- The three shareholdings were on the account but one of the three shareholdings was not visible to Mr and Mrs H because of the two systems used by ITI and that particular stock wasn't tradeable on one of them. Dividends had been paid and were to be transferred to Mr and Mrs H's account.
- The investigator wanted ITI to send Mr and Mrs H a statement of account showing holdings and dividend payments.
- He also recommended that ITI pay £250 for the length of time it had taken to resolve the issues and their complaint.

Mr and Mrs H were happy with the proposed outcome provided they received the details from ITI that had been asked for by the investigator. They also said that for an initial time period transfers to other brokers were offered free of charge, but they weren't able to take advantage of this because of the incompetence and delays of ITI.

ITI sent Mr and Mrs H a statement of their account since its migration from the previous firm showing all transactions including dividends.

Mr and Mrs H said they found the statement difficult to reconcile. They wanted the compensation paid as recommended by the investigator. One dividend was missing, and they wanted ITI to pass the details of their account to a new broker to ensure a smooth transfer which they would transfer when dividends were received on two of the holdings that were due to be paid in May 2022.

The investigator passed the above request onto ITI, but it didn't respond to the investigator other than sending the statement to Mr and Mrs H.

As the complaint remains unresolved it has been passed to me for decision.

In the meantime, ITI informed Mr and Mrs H it was closing its retail business, so Mr and Mrs H needed to transfer to another broker. Mr and Mrs H said the offboarding information provided by ITI and their online account didn't match, the shareholdings in the online account were incorrect, they didn't know if the cash value was correct. They hadn't been given any information about a demerger/share consolidation which had happened to one of their shareholdings.

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.

After doing so, I broadly agree with the conclusion reached by the investigator and I'm going to uphold the complaint. I don't think ITI has behaved reasonably however I think the £250 compensation recommended by the investigator is broadly fair and reasonable.

In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. But it's for me to decide, based on the available information I've been given, what's more likely than not to have happened.

Mr and Mrs H's access to their account

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 have had an impact on ITI's capacity and ability to deal with new customers and increased requests. And it's evident there were IT issues.

However, it's clear Mr and Mrs H have had a very frustrating time during which they haven't been confident the account information and records they received from ITI was right. They had the initial upset of the account being set up in the sole name of Mr H rather than joint names. And there was confusion about what cash and/or shares were showing correctly on the account(s).

We asked Mr and Mrs H whether they attempted to carry out any trades during this time, but they told us that as they couldn't view their online account, this wasn't possible. Mr and Mrs H have said they intended on moving their account to another provider but couldn't start the process when they were not sure of their shareholdings or cash position with ITI. However, this position has now changed as ITI is closing its retail business.

In any relationship between a consumer and a business there are always opportunities for errors or misunderstandings. And it is how a business responds to that that is important. And while I've concluded ITI hasn't behaved reasonably I don't think it was ITI's deliberate intention to cause Mr and Mrs H the frustration it evidently did as I think it was most likely working under stretched circumstances.

Putting things right

That being said, it's clear Mr and Mrs H have had a very difficult time during the process and I'm sure feel stressed and exhausted by the whole affair which has lasted since July 2020

and is still not satisfactorily resolved. The investigator acknowledged this by recommending an award of £250 for the upset Mr and Mrs H had been caused.

Mr and Mrs H have also asked for a statement of reconciliation of their account so they can identify the cash/dividend trail and schedule of what has happened to their shareholdings including corporate actions plus dividends.

ITI should provide an updated, full, and correct statement of account from the time of its receipt by ITI and which should include cash, dividends, and corporate actions. ITI should also transfer their account to Mr and Mrs H's chosen broker at no cost to them and which I understand is now being offered as part of the account closure process of its retail business.

The statements Mr and Mrs H have so far received only detail two of their three shareholdings. They haven't been able to reconcile their holding in Tadeka which ITI told us wasn't tradeable on one of its systems. ITI should provide a statement for the capital and income account of that shareholding.

My final decision

I uphold Mr and Mrs H's complaint and ITI Capital Limited should put the matter right as I've detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 17 November 2022.

Catherine Langley
Ombudsman