

## **The complaint**

This complaint is about delays and communication issues that Mr D encountered when he instructed Halifax Share Dealing Limited, trading as IWeb Share Dealing (IWeb) to arrange an ISA\* transfer from another financial business. (\*Individual Savings Account)

## **What happened**

Here is a brief overview of the events leading to this complaint, based on what Mr D and IWeb have said.

8 March 2020 – Mr D said he sent a letter to IWeb requesting information. IWeb said it has no record of this letter.

26 March 2020 – IWeb has confirmed it received a cheque for the sum of £15,500 from the other financial business which it said it credited to Mr D's stocks and shares ISA the same day.

30 March 2020 – IWeb said it became aware on this date that the cheque it had credited to Mr D's ISA account had bounced (due to poor imaging quality) so it removed the sum of £15,500 from Mr D's ISA account but received no response when it emailed the other financial business about what happened.

31 March 2020 – IWeb followed up its email with a phone call to the other financial business which confirmed it would issue a new cheque on receipt of written instructions - which IWeb said it sent the same day.

7 April 2020 - IWeb said it received the sum of £15,500 by electronic transfer.

8 April 2020 - IWeb credited £15,500 to Mr D's account.

12 May 2020 - IWeb arranged to send Mr D a form which he was required to use to request information Mr D wanted.

20 December 2020 – Mr D said he sent a further letter to IWeb requesting information. (IWeb said it has no record of this letter.)

When Mr D contacted IWeb, it didn't uphold his complaint. So he brought his complaint to us and one of our investigators looked into what happened.

Based on the information available, our investigator recommended upholding Mr D's complaint. He said that IWeb should have ensured the image quality of the scanned cheque was acceptable before attempting to process it. And he felt that the period of six working days when Mr D had lost sight of the £15,500, taken out of his account after having just been paid in, was undoubtedly distressing and inconvenient for Mr D. He felt that Mr D's attempts to speak to someone at IWeb were frustrated by him not being able to get through to IWeb on the phone – despite trying for over two hours. Our investigator also took into account that Mr D told us he had made multiple further attempts to obtain information about what had

happened to his missing money which IWeb failed to respond to until sending him a form to complete on 12 May 2020.

In view of these service failings on the part of IWeb, our investigator felt that it should pay Mr D financial redress of £150 to fairly compensate Mr D for the distress and inconvenience he had suffered.

Mr D has asked for an ombudsman to review his complaint.

IWeb responded to our investigator's view to say it disagreed with what he'd said, in particular:

- it wouldn't have known beforehand that image quality would be an issue until its third party processed the cheque and the problem arose.
- It could find no record of correspondence from Mr D on 8 March 2020 or 20 December 2020. It had identified receipt of a letter dated 8th March 2021 which it believed was the same communication and provided Mr D with the relevant form which would enable him to carry out the information request.
- Mr D's transfer was ongoing was around the same time that the UK Government introduced its first national lockdown measures and this resulted in a very volatile stock market. As an execution only stockbroker, IWeb was very much subject to client demand and it would have received a significant increase in its call volumes. In addition to this, it was having to find ways of carrying on its operations using different ways of working. Taking the above circumstances into consideration, it said if Mr D was anxious or concerned about the location of his cash, it would've been more than reasonable for him to have waited for his call to be answered.

The complaint came to me to decide. I issued a provisional decision.

### **What I said in my provisional decision**

Here are some of the main things I said.

"Where the information is incomplete or facts aren't agreed by the parties involved, I must base my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances. I must make reasonable assumptions where necessary.

I've carefully listened to the call recording when Mr D first approached this Service. It seems to me that the crux of Mr D's complaint concerned finding out which business was responsible for the poor quality cheque issues that led to the problems that followed. Mr D's concerns about the other business have been considered elsewhere. So I'd like to start by making it clear that the scope of my remit here is to consider only whether IWeb acted fairly and reasonably in the way it managed the transfer and dealt with Mr D.

I don't think IWeb can fairly be held responsible for the cheque bouncing since the cheque had been provided by the other financial business. And I haven't seen enough to be able to say that not being able to process the cheque due to the image quality being too poor was a reasonably foreseeable consequence of IWeb attempting to pay it in. I'm mindful that even if IWeb had identified concerns about image quality, it would in any event still have needed to request a replacement cheque or make alternative arrangements to receive the funds from the other financial business.

IWeb does seem to have reacted promptly to what happened. On 30 March 2020, when it found out the cheque couldn't be processed, it emailed the other financial business straightaway and followed up its email with a phone call the next day. It told us it took the necessary steps to arrange for a replacement cheque. Given that the money was back in Mr D's account just six working days later, I've no reason to think IWeb was responsible for any delay putting things right when the cheque bounced.

I also don't think IWeb acted unreasonably when it removed the £15,500 from Mr D's ISA when it became clear that sum hadn't been successfully transferred from the other financial business. IWeb said this was done to ensure Mr D's 'ISA headroom' was not affected – I understand this to mean it took the action needed in order to avoid there being any incorrect impact on his annual ISA allowance, bearing in mind that this re-sets each tax year on 6 April.

But I do think IWeb should have kept Mr D better informed about what was happening.

To my mind, it should have realised that having this sum of money disappear from his account, without any explanation, was bound to be upsetting for Mr H, particularly as IWeb was aware it was a difficult time for customers trying to make contact.

Had IWeb communicated with Mr D on 30 March 2020 when it first discovered the payment issue, or the next day when it could have reported to him how things would be resolved, I think this would likely have gone a long way towards putting Mr D's mind at rest and avoided the need for him to have to repeatedly try and chase for information. I don't think expecting Mr D to be able to hold on the phone for more than two hours for a call to be answered is a reasonable expectation.

Mr D found it frustrating not to receive responses to letters he told us he had sent to IWeb in March and December 2020. It's possible that post went astray – I've seen no proof of delivery and IWeb has no record of any such letters. But I'm mindful that IWeb said it had identified receipt of a letter dated 8 March 2021 which (I understand it to be saying) it believed was the same communication Mr D was referring to (sent in March 2020). IWeb said it had provided Mr D with the relevant form which would enable him to carry out the information request. But if this is the form it sent him to complete on 12 May 2020 (so some two months later) that seems to me a very delayed response – particularly in view of the course events took, which IWeb must have known Mr D would be worrying about. I think it was unreasonable that IWeb failed to get in touch with Mr D sooner and engage with him on matters of legitimate concern.

I've taken into account that IWeb said it should not be considered reasonable that it is punished due to events well beyond its own reasonable control. But I find that the onus was on IWeb, particularly as it was the business effectively managing the requested ISA transfer, to keep Mr H properly informed about what was happening, especially when things didn't go to plan. I can't see it did this.

So, for this reason I am upholding Mr D's complaint."

## **What the parties said in response to my provisional decision**

Mr D feels that I should award more compensation to reflect the full extent of shortcomings on the part of IWeb and the stress this has caused him over more than two and a half years.

IWeb has confirmed it has nothing further to add.

As I have now heard from both parties I think it's reasonable for me to proceed with my review of this complaint.

## **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've taken carefully into account everything that's been said in response to my provisional decision. I'd like to assure Mr D that I've thought carefully about everything again before coming to my final decision. And whilst I have highlighted above only what seem to me to be the main points of concern he has raised, I have read thoroughly and taken into account everything he has asked me to reconsider.

I'm very sorry indeed that dealing with this complaint has proved so stressful and vexing for Mr D that it has contributed to health problems. I appreciate that Mr D takes a different view to me about the amount of redress that IWeb should pay. But Mr D hasn't provided me with any new information that changes what I think about this case and I'm just dealing here with this particular complaint rather than some of the wider issues he has mentioned. I'd already considered all the main points and addressed in my provisional decision all the points which have a bearing on the outcome.

I still think the compensation figure in my provisional decision is fair overall for the reasons I explained more fully in my provisional decision.

## **Putting things right**

The sum of £150 fairly reflects that not knowing what had happened to his money, when IWeb could and should have kept Mr D informed, was a particularly stressful situation for Mr D which understandably caused him significant worry and distress. So IWeb should pay an amount of £150 compensation to Mr D.

## **My final decision**

I uphold this complaint and direct Halifax Share Dealing Limited, trading as IWeb Share Dealing, to take the steps I've set out above to put things right for Mr D.

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

Susan Webb  
**Ombudsman**