

## **The complaint**

Mr P and Mr T, as trustees of a Small Self-Administered Pension Scheme (SSAS), complain that Embark Investment Services Limited trading as Stocktrade provided an incorrect address on its website causing the investment of a pension contribution to be delayed.

## **What happened**

Mr P and Mr T are the trustees (the Trustees) of a SSAS. The SSAS has an account on the Stocktrade platform. Mr P says that he posted a pension contribution, a cheque for £11,000, to Stocktrade using the address advertised on its website. He sent the payment on 25 May 2021. When he noticed that the payment had not been credited to the SSAS account, he contacted Stocktrade on 3 June. He says it told him its address had changed fifteen months earlier - but it confirmed that the letter should be redirected to its current address.

On 11 June 2021 the letter enclosing the cheque was returned to Mr P marked "addressee gone away." Mr P issued a new cheque payment on 15 June 2021 and posted it by recorded delivery to the alternative address provided by Stocktrade. The letter was received by Stocktrade on 16 June 2021 and logged on its systems a few days later – 21 June 2021. The Trustees invested the contribution on 24 June after the cheque cleared.

Mr P says that as a result of the incorrect address displayed by Stocktrade on its website the SSAS has incurred a financial loss of around £750. He says that the price of the units in the fund he wanted to purchase (the X fund) increased in the period between 4 June 2021, which was when he says the original cheque would've cleared and 24 June 2021, which was when he was able to purchase the units. He complained to Stocktrade.

Stocktrade investigated his complaint. It said it had no record of having received his letter dated 25 May 2021. It acknowledged it had supplied an incorrect address and it offered to pay the SSAS £150 as a gesture of goodwill for the inconvenience caused. It also said it would consider the claim for financial loss but it would require the SSAS to provide evidence that it would have traded in the way that it said. Mr P didn't agree. He referred his complaint to our service.

Both of the Trustees consented to our service looking into the complaint. Our investigator initially said that Stocktrade wasn't responsible for the letter not having been redirected by Royal Mail to the correct address. She said that Stocktrade had asked for evidence of how the Trustees would've invested the funds had the cheque been received – but there was no specific evidence to support what they'd said. She thought £150 was fair and reasonable for the inconvenience the Trustees had experienced.

The Trustees did not agree. They said that Stocktrade had acknowledged it was responsible for the incorrect address on its website and that this error had caused undue delay. The Trustees also said that it wasn't possible to prove what they would've done had

the cheque been received. But, they pointed out that the SSAS already held units in the X fund and when the second cheque was received the Trustees had proceeded to purchase units in that fund.

Our investigator looked at everything again. She said she now accepted that Stocktrade's error had caused the delay in allowing the cheque to be lodged to the account. But she said there was no specific evidence of what the Trustees would have done. She thought Stocktrade should complete a loss calculation for the period between shortly after 25 May 2021 and 24 June 2021 using the existing funds within the SSAS portfolio as a benchmark.

Stocktrade responded to say that the existing portfolio had no relevance to how the Trustees would have invested at the time.

The Trustees also responded. They reiterated that it was impossible to provide indisputable evidence of how they intended to invest. They thought there was enough information provided to indicate they would have purchased units in the X fund.

Because neither the Trustees nor Stocktrade agreed with what our investigator said, the complaint was passed to me to decide. I issued a provisional decision in which I said:

***What I've provisionally 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'm satisfied that there is no dispute that Stocktrade provided an incorrect address on its website and it has acknowledged that this error caused a delay in the payment of the contribution of £11,000 into the account. Stocktrade said in its response dated 19 August 2021:*

*"I would like to highlight that our records have confirmed that we supplied you with the incorrect mailing address and this error caused an undue delay in the payment of the cheque into your Stocktrade account."*

*The aim of this Service is to put the Trustees as much as possible back into the position they likely would be in now if the delay had not happened. So I first considered when the monies could have been invested without the delay. The second cheque was posted on 15 June, received by Stocktrade on 16 June, lodged to the account on 21 June 2021 and available for investment on 24 June 2021. I think it's reasonable to apply the same timelines to the first cheque, which means it would have been available for investment on 4 June 2021. That means the delay period is from 4 June 2021 to 24 June 2021.*

*I then considered how the Trustees would have likely acted on 4 June if the money had been available for investment then. Given that they invested very shortly after the funds were available on their account I think it's more likely than not the same would have happened three weeks earlier.*

*It isn't possible to be absolutely certain how the Trustees would have invested. So I've made my provisional decision based on what I think most likely would have happened on a balance of probabilities. When making investment decisions it's likely that the Trustees would have taken various factors into account, including for*

*example their investment strategy and policy, the make-up of their existing portfolio and market prices at the time. I can see that the Trustees already held units in the X fund. When they made the investment on 24 June (after a delay of three weeks ) they invested in the X fund and they've told us that that was always their intention.*

*Having thought about everything I'm persuaded, on balance, there are enough indicators to be reasonably satisfied that if the investment had been made on 4 June, the Trustees would have made the same investment decision as they did on 24 June and invested the full amount in the X fund.*

### **Putting things right**

*Having considered everything and mindful, as mentioned above, that the aim of our Service is to try to put the Trustees back into the position they would've been in had it not been for Stocktrade's error, I've provisionally decided it is fair and reasonable to require Stocktrade to calculate the additional units in the X fund the Trustees could have acquired if their investment had been able to proceed on 4 June 2021. It should then make arrangements to add those additional units to the Trustee's investment portfolio.*

*I've also thought about the inconvenience that the Trustees have been caused as a result of what happened. Stocktrade has already acknowledged the inconvenience caused and it has corrected the error on its website. So, having thought about everything I think its offer to pay £150 by way of compensation for inconvenience is fair and reasonable in all the circumstances.*

### **My provisional decision**

*For the reasons given above my provisional decision is that I intend to uphold this complaint about Embark Investment Services Limited trading as Stocktrade.*

*I intend to require it to take the following action:*

- Calculate the number of additional units in the X fund which the Trustees could have purchased (based on an investment of £11,000) on 4 June 2021 as compared to what they were able to purchase on 24 June 2021 and add these additional units to the Trustee's investment portfolio; and*
- Pay the Trustees £150 by way of compensation for the inconvenience they experienced as a result of what happened.*

Stocktrade agreed with my provisional decision and provided details of the number of units in the X fund which it would purchase and allocate to the Trustee's investment portfolio. It based this on the actual amount of the investment which had been made on 4 June 2021 which was £10,945.27.

The Trustees also responded to my provisional decision. They accepted the provisional decision and have subsequently confirmed the information provided by Stocktrade about the additional number of units to be allocated to their portfolio.

So, I now need to make my 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.

I've considered the responses to my provisional decision. I haven't received any new or further information. So, there's nothing that persuades me to change my view, or the reasons for my view as set out in my provisional decision.

The Trustees have accepted that the amount of their actual investment in the X fund on 4 June 2021 cost £10,945.27 and not £11,000. For that reason, I have amended the amount of the investment in my final decision.

### **My final decision**

For the reasons given above I uphold this complaint about Embark Investment Services Limited trading as Stocktrade.

I now require it to take the following action:

- Calculate the number of additional units in the X fund which the Trustees could have purchased (based on an investment of £10,945.27) on 4 June 2021 as compared to what they were able to purchase on 24 June 2021 and add these additional units to the Trustee's investment portfolio; and
- Pay the Trustees £150 by way of compensation for the inconvenience they experienced as a result of what happened.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mr T to accept or reject my decision before 23 December 2022.

Irene Martin  
**Ombudsman**