

The complaint

Mr C has complained about the time it has taken, and the treatment he has received from ITI Capital Limited ('ITI') when his accounts were migrated over from a previous firm. Mr C's accounts weren't reconciled with the shareholdings and cash that had been transferred to ITI and he didn't know what had happened to any dividend payments.

What happened

Mr C held three accounts – numbers ending 6218, 3848 and 6883. The accounts were held with a previous firm that had gone into administration and were transferred over to ITI in July 2020.

Mr C had problems with the reconciliation of the shareholdings – he wanted to transfer all three accounts to a new broker but was nervous of doing so until everything was in order with ITI.

Mr C brought his complaint to the Financial Ombudsman in January 2021 and later made the request to ITI to transfer his accounts to a new broker – who I shall refer to as 'Company B' – in June 2021 and which ITI confirmed receipt of in July 2021.

Mr C had wanted to transfer his accounts free of charge but that free transfer period that was offered by ITI ended on 23 March 2021. Mr C experienced problems and delays with the transfer of his accounts to his chosen provider. Mr C told us he did recover all of his shareholdings and received cash of around £1,200 but no breakdown of what it represented. He's unsure of what happened to any dividend payments that had been paid. He was also annoyed at missing the free transfer window and being charged £25 per line of stock to be transferred.

In the meantime, ITI offered £250 to Mr C to settle his complaint which our investigator passed onto him. Mr C wasn't willing to accept it particularly as he was charged £500 for the transfer of his shareholdings.

Our investigator who considered the complaint thought it should be upheld in part;

- The free transfer window closed on 23 March 2021 but a Lloyds Banking Group shareholding on one of Mr C's accounts hadn't been reconciled so Mr C had waited for that to be resolved before arranging for the transfer to his new broker in June 2021.
- He was waiting for confirmation of the dividend payments that had been received on his accounts.
- The investigator thought the offer of £250 was fair and that Mr C should be repaid the transfer fees for the account number 6883, which contained the incorrectly recorded Lloyds Banking Group shareholding, but couldn't see any reason for Mr C to have delayed the transfer request for the other two accounts.
- She also said that ITI should provide an update in relation to the dividends Mr C

should have been paid.

Mr C said that he had been under the impression that a transfer was as a customer rather than individual accounts. And the unreconciled shareholding, Lloyds Banking Group, was held in two accounts – 6883 and 3848 – and it was unreconciled on both of the accounts.

After reconsideration, our investigator wrote again to ITI. She thought that Mr C should be provided with a breakdown of any dividends on all of his accounts, ITI should pay £250 for the distress and inconvenience Mr C had been caused and refund the transfer fees in respect of the two accounts – 6883 and 3848 – which both held shareholdings of Lloyds Banking Group that hadn't been visible on either account.

ITI offered to increase the distress and inconvenience payment from £250 to £400 to cover the distress caused to Mr C and the transfer fees he paid. It said some dividends had been received after the cash transfer to the new provider had been completed. There was then currently cash of £253.66 on account number 6883 being dividends for three of his shareholdings. It provided a statement for that account and account number 3848 which showed 'available cash' of £110.65.

The investigator revised her findings. She said that Mr C should receive a breakdown of any dividends on all of his accounts, that ITI should pay him £250 for the distress and inconvenience that had been caused and also refund the transfer fees in respect of two of his accounts – 6883 and 3848.

ITI didn't respond to the investigator. As the complaint remained unresolved, it was passed to me for a decision. I issued my provisional decision explaining that I intended on upholding the complaint but with potentially some alternations to the redress, but I asked both parties to give me anything that they wanted me to consider before I issued my final decision. Here's what I said;

'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, my provisional decision is that Mr C's complaint should be upheld.

The transfer of Mr C's accounts

I can see that Mr C made contact with ITI as early as August 2020 as he was having problems assessing the value of his three accounts. They did not show all of the stocks, cash or the dividends that were transferred over to ITI or that had accrued since the transfer.

In July 2021 Mr C was told by ITI that it would not waive the transfer fees as the free transfer period had expired on 23 March 2021. Mr C explained the visibility of his assets had been in dispute for nearly a year at that point and he expected ITI to honour the free transfer as he would have transferred his assets sooner if it weren't for ITI's failings.

The investigator concluded that there was no reason for the accounts not to have been transferred separately and that Mr C could have asked for the transfer of account number 6218 to go ahead earlier. It didn't contain any Lloyds Banking Group shares like the other two accounts where the shareholdings were unreconciled.

However, I note there is an email on file from Mr C to ITI dated 20 March 2021 which refers to two stocks that were missing on account number ending 6218. And according to Mr C's later email of 30 March 2021 the situation hadn't changed.

So, bearing in mind the window for the free transfer period ended on 23 March 2021 I don't think Mr C would have been in the position to arrange for the transfer of that account when two of his holdings were still not showing. Mr C wasn't able to go ahead with the transfer of that account prior to 23 March 2021 as that account was unreconciled. So, I think Mr C should be refunded the transfer fees he was charged for that account as well as the other two as recommended by the investigator.

I don't know the size of the client base that ITI took over from the previous provider that went into administration. But from what I know from similar complaints, I think it's likely that the new additional accounts and investments will inevitably have had an impact on ITI's capacity and ability to deal with new customers and increased requests. And it seems evident there were some IT issues.

That being said, I think Mr C should receive a payment for the considerable frustration he has been caused during the transfer process. I've carefully considered Mr C's points and I have also borne in mind our long-standing approach to awards for distress caused. I think the £250 as offered by ITI is a fair reflection of the distress and inconvenience caused to Mr C.

Dividends and cash on account

As mentioned above, dividends have accrued on Mr C's account number 6883 to the value of £253.66 and there is 'available cash' showing on account number 3848 of £110.65. If it hasn't done already, ITI should transfer those amounts to Mr C's new broker.

Mr C has been out of pocket for those dividends and other cash received by ITI after his initial transfer request so I think he should be paid interest during that time. ITI's own guidelines are that cash transfer requests should be processed in two working days. So, I think 8% simple interest should be added to those cash and dividend sums from two days after receipt by ITI to the date they were/are transferred to Company B.'

In conclusion I said that ITI should refund the transfer fees incurred on all three of Mr C's accounts, pay £250 for all of the delays, frustration and inconvenience he had been caused and pay 8% simple interest per year on any delays in cash being transferred. I also said ITI should provide Mr C with statements for all three of his accounts so that he can identify any cash received and the source of that cash.

I made further contact with Mr C as I wanted to reconsider how I could more accurately put things right with regard to the 8% simple interest I provisionally thought he should be paid on any delayed cash transfer. So, I asked if he had taken any action with that money or had intended to.

Mr C told us that he had bought some shares with the cash transferred but they had gone down in value quite a lot. With reference to interest he was happy with whatever I considered fair.

ITI didn't respond to my provisional 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.

ITI hasn't given me anything further for me to consider.

As mentioned, I sought clarification from Mr C about his intentions for the cash. I wanted to know if he had been waiting for those funds for a specific purpose such as reinvesting it or needing it for another purposes as examples and whether he had lost out because of the delays.

In response Mr C said that he had bought shares, but they had gone down in value quite a lot. While I can't know for sure if Mr C would have done the same thing if he had received his cash any earlier, I've nothing to make me think that he wouldn't have taken the same action or similar in investing his money and the value of those investments has gone down. So, I haven't seen anything to suggest that Mr C is out of pocket because of any delays in the cash being sent to him and which would cause me to award 8% simple interest.

Overall, I still uphold Mr C's complaint, albeit without paying additional interest on delays in cash sum(s) being transferred to him.

Putting things right

Overall, ITI should pay to Mr C;

- Refund the transfer fees incurred for all three of Mr C's accounts.
- £250 for all the delays as well as the frustration and inconvenience Mr C was caused.
- If it hasn't already done so, ITI should pay any cash on Mr C's accounts to Mr C's new broker.
- ITI should provide Mr C with statements for all three of his accounts so that he can identify any cash received and the source of that cash.

If ITI Capital Limited doesn't pay Mr C the sums above within one month of receiving from us notification of Mr C's acceptance of my decision, ITI Capital Limited should also pay Mr C 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

I uphold Mr C's complaint and ITI Capital Limited should put the matter right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 January 2023.

Catherine Langley
Ombudsman