

The complaint

Mr T complains to ITI Capital Limited about delays and service when transferring his ISA to another platform.

What happened

Mr T first became a customer of ITI's in the summer of 2020 when his previous provider went into administration. ITI took on some of the previous provider's clients, and this included two accounts Mr T was connected to – one was a joint account with his wife and another was his individual savings account (ISA). The focus of this complaint is on Mr T's stocks and shares ISA.

Mr T had some problems with ITI's handling of his account, and made the decision to transfer his ISA away to a new provider. From what I can see, Mr T first mentioned his intention to leave on 11 September 2020. I cannot see ITI replied to this email, and Mr T repeated his request on 16 September.

ITI replied the next day on 17 September to acknowledge Mr T's intention to leave. They confirmed they'd changed the status of his account and so he'd be able to submit a form with his instructions. They mentioned he ought to give them certain details about his new provider. Mr T replied the same day to query the form as it asked for his bank details. Mr T didn't want to take the money outside of his ISA, just to move it within its wrapper. He emailed ITI again the next day reiterating similar points.

ITI responded on 25 September, but they didn't deal with Mr T's specific points and instead referenced that the form remained outstanding. Despite this, I can see that on 28 September, ITI's systems show that Mr T's transfer out request had been recognised.

Mr T wrote to ITI on 7 October to let them know that his new provider hadn't heard from them yet. He asked them to confirm whether they'd received anything from the new provider, whether the forms were correct given the various reference number changes they'd gone through, whether he'd be charged the October custody fee and whether the account would close after the transfer had completed as this was what he wanted.

Mr T's new provider wrote to him on 29 October to explain they were experiencing ongoing difficulties in progressing transfers with ITI given they were not responding within a timely fashion. They suggested he chase ITI too in the hope of expediting things.

Mr T wrote to ITI on 1 November to complain about the delay given his new provider had told him they hadn't heard from them. He wrote again two days later on 3 November and again on 5 November.

Mr T wrote again on 14 December to point out ITI hadn't replied to him within the timeframes they'd set out in their literature. He also explained that the stress, anxiety and worry was having a bad impact on his mental health.

On 19 January 2021, ITI sent stock from Mr T's portfolio to his new provider. And on 26 January, his account showed that his cash balance of around £33,000 had been transferred too.

Mr T wrote to ITI on 9 February – three weeks had passed since the cash balance appeared to have been transferred, yet his new provider had told him they were yet to receive it, despite chasing. Mr T was quite concerned given that the cash in his joint account had been received within a week.

Given the problems were continuing, Mr T asked for our help. He referred to the ISA guidelines which mentioned 30 days for transfers, yet his had taken around 100 days so far with no end in sight. He mentioned the time he'd spent in chasing things up and the toll the stress, worry and sleepless nights were taking on his wellbeing, especially given his age.

Mr T continued to chase ITI about the missing cash while he waited for our help. I can also see Mr T's new provider emailed ITI on 2 March telling them Mr T had told them to expect the cash.

The £33,000 eventually arrived with Mr T's new provider on 11 March – this meant the transfer had taken five and a half months.

Despite the transfer having completed, Mr T continued to reach out to ITI to confirm whether his account had been closed. On 16 March, he asked for a final closing statement and confirmation the account was closed. ITI replied the next day to say they'd marked his account as 'inactive' rather than close it given, in their experience with other clients who'd transferred from the former provider that had gone into administration, sometimes there was additional cash to add to accounts.

Mr T wasn't happy with this – he explained that he didn't expect to receive anything further from the former provider, so he repeated his ask for the account to be closed and confirmation to be shared with him. On 17 March, ITI said they'd asked their third-party provider to close the account.

On 12 April, Mr T received an email to let him know about changes to account numbers. He replied to query this, given his account ought to have been closed – so no change in number was warranted. ITI replied the next day to explain they had to keep records for seven years before deleting personal data. Mr T replied soon after to clarify that he hadn't been asking about data protection – instead he wants his account closed yet he could still log in and do things like download a statement.

It doesn't appear ITI replied. So on 18 May, Mr T emailed again as he could still log in to his account. The next day, ITI emailed Mr T with a screenshot from their third-party provider to show the account was closed. But Mr T replied the same day to confirm he could still log in, view reports, view his personal details and download statements. He also said nothing mentioned the account was closed. Mr T remained concerned about what he'd seen – firstly because an open, yet dormant, account could attract inactivity fees and secondly because of the risk of identity theft.

ITI replied the same day to ask whether Mr T was able to trade on his account – Mr T replied to confirm there didn't appear the facility to trade. But that this was besides the point, as perhaps the account could be reactivated. So he still considered the account not fully closed.

One of our investigators had a look into what had happened and issued her findings in February 2022. She agreed ITI's service had fallen short of what she'd have expected. She acknowledged the delays in the round along with a clerical error with the cash balance. She

thought ITI should compensate Mr T for the distress and inconvenience and suggested £300 to put things right.

ITI accepted our investigator's findings in April. There was however some confusion thereafter as Mr T was involved in a second complaint regarding the joint account with his wife. ITI had paid some compensation in that case, and in thinking they were complying with the settlement for this case, they paid Mr T £50.

Our investigator clarified this with ITI in May, but as things remained unresolved some months on the matter was passed to me. I reviewed Mr T's complaint and thought a higher compensation award was due. I said:

It appears that the investigator's findings are not in dispute – ITI agreed to her suggested compensation and Mr T appeared to accept too, given he has been chasing for the payment to be made. The case has come to me because ITI have yet to settle with Mr T, around seven months after they agreed to do so.

Given both parties seem to be in agreement with our investigator's view, I don't intend on addressing all the issues in detail and instead confirm that I broadly agree with them. Despite this, in making my decision I have considered the file afresh and while I agree the case should be upheld, I instead think compensation of £700 should be paid so I am issuing provisional findings allowing both parties to make a final comment.

Mr T instructed his ISA transfer on 28 September 2020. HMRC guidelines are that a stocks and shares ISA transfer should complete within 30 days. That did not happen here, given Mr T's cash finally arrived on 11 March 2021. In the meantime, I can see Mr T put a considerable amount of effort into chasing things up with ITI. He contacted them several times throughout October, November and December 2020 – and he referenced the stress, anxiety and worry he was experiencing, and how this affected him personally. Much of his contact went unanswered.

In addition to the delays and communication generally, I note Mr T was especially concerned to see his £33,000 left ITI on 26 January 2021 yet didn't arrive with his new provider until 11 March, over six weeks later. The issue here seems to have been ITI's fault as they instructed a transfer of £33,253.8 rather than £33,253.84. ITI failed to pick up on this error which caused the six week delay. In fact, they emailed Mr T twice, on 10 February and 2 March, to say the problem wasn't theirs – they said the money had been sent so if it wasn't showing with the new provider, this wasn't something they could influence. They suggested he work things out with the new provider.

And even after the transfer was complete, again Mr T went weeks while waiting for confirmation his account was closed. Though there were sporadic responses from ITI, it still appeared Mr T's account was open some eight weeks after him asking for closure.

My view is that the impact the delays and level of service is greater than our investigator assessed it to be. It is clear Mr T spent a considerable amount of time in engaging with the transfer – he sent multiple emails, many of which went unanswered, and it was he who clarified the errors which ITI had made on more than one occasion, even with the settlement we'd asked them to pay.

In addition to his time, I can also appreciate the considerable concern he'd have felt during the six weeks where a large sum of money appeared to have gone missing.

Mr T has told us about the toll the stress, worry and sleepless nights have taken on his wellbeing. And I also recognise that at the time of instructing the transfer, Mr T was over 80.

Where our service establishes that an error has been made, we have to consider the impact this had on the complainant, and I'm persuaded that a sum of £700 would be a better figure to recognise what happened in this case.

I then explained that interest would be payable on a late settlement, that ITI should close Mr T's ISA and acknowledged that £50 compensation may have already been paid.

In addition to my findings, I asked Mr T what he did with his cash once it'd transferred as I wanted to understand whether there'd been any financial loss by way of missed opportunity on an investment he'd been waiting to make.

In response to my provisional decision, Mr T explained that he had indeed been waiting to invest the money and did think missed opportunities had disadvantaged him financially. Despite this, he didn't want to pursue a claim for additional compensation given the time it would take for him to go through his statements. Instead, he accepted my provisional findings.

ITI didn't reply.

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.

In my provisional decision, I explained that I felt a higher award of £700 for distress and inconvenience would be a fairer sum to compensate Mr T in the circumstances. Having reconsidered this case in full and in the absence of any new or contrary submissions from the parties, I see no reason to depart from this conclusion.

Putting things right

It is my decision that ITI should pay Mr T £700 to recognise the distress and inconvenience caused when handling his ISA transfer and closure request.

My understanding is that owing to confusion with another matter, ITI paid Mr T £50 on 28 April 2022 in relation to this complaint. If this is correct, ITI can deduct this sum from the award I am now making.

Should Mr T accept my final decision and ITI not pay him within 28 days of them being notified of his acceptance, I direct ITI to pay simple interest on any sum outstanding at a rate of 8% per year from the date of my decision until the date of settlement.

In addition, if it has not already done so I require that ITI close Mr T's ISA and send him the confirmation he requires.

My final decision

My decision is that I uphold Mr T's complaint against ITI Capital Limited and that they should put the matter right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 January 2023.

Aimee Stanton
Ombudsman