

The complaint

Mr H has complained about the service he has received from ITI Capital Limited ('ITI'). He couldn't access his account to trade or withdraw cash in a timely manner and which caused him to open an account with another platform and instruct that his account be transferred. He experienced significant delays and inconvenience during the transfer process.

What happened

In July 2020 Mr H's account (ending number 8166), which he held with a previous firm that had gone into administration, was transferred over to ITI. Mr H has told us he was concerned as the shares on his account with ITI did not match up with the shares that had been transferred to ITI by the administrator of the previous firm.

In September 2020 Mr H instructed the transfer of his account away from ITI to another platform provider who I shall refer to as 'Company B' in my decision.

In October 2020 Mr H completed Company B's 'Share Transfer Form' for all but one of his shareholdings – which I shall refer to as 'Share A'. Mr H experienced delays during the transfer of his shares and also with a cash withdrawal which he told us caused him considerable worry and impacted on his wellbeing.

At the time of bringing his complaint to the Financial Ombudsman in February 2021 Mr H didn't have any shares showing on his account but had managed to withdraw some cash. And for Share A, Mr H wanted to know from ITI how he could obtain the share certificate for this holding.

In a further attempt to get his shares transferred, in February 2022 Mr H completed a second share transfer form for Company B. Mr H told us on 18 March 2022 that he had checked his account with Company B and the five shareholdings had been received.

Mr H was told by ITI that he couldn't obtain a share certificate for his shareholding of Share A as it had been removed from the company register. However, Mr H's understanding was that ITI had been given a physical share certificate for the holding when his portfolio was transferred to ITI by the administrator of the previous business.

ITI didn't provide a final response to Mr H's complaint or its business file for our investigator to consider the complaint but to put the matter right it did offer £250 plus £38 interest for lost opportunity in the delays in processing his cash withdrawal. Our investigator put this offer to Mr H, but Mr H thought £500 would be fairer for the poor service and his lost opportunities to trade so he didn't accept it. Mr H said he had been in touch with ITI about his holding in Share A but hadn't heard back.

Our investigator who considered the complaint thought it should be upheld. He said;

- He provided a background to the problems and delays Mr H had experienced with initially accessing his account with ITI, plus his inability to trade on his account until his shares were eventually transferred to Company B and the cash withdrawal

completed albeit for around £200 less than Mr H requested.

- Mr H had experienced 18 months of poor service and had no access to his shares or cash. He told us he was a regular trader and hadn't been able to carry out any transactions.
- ITI had by this time increased its offer for the poor service to £300 but the investigator thought this should be increased to £500.

Mr H confirmed he had received no correspondence from ITI and still hadn't been able to recover his share certificate for Share A.

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 that I thought it should be upheld but I asked both parties to give me anything 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, I've provisionally decided to uphold Mr H's complaint. I'll explain why.

I should make clear that I haven't received anything from ITI to assist me in my consideration of this complaint. The only information or evidence I have received is from Mr H. If ITI does wish to provide anything for my further consideration, then it should do so as outlined above.

When the evidence or testimony surrounding a complaint is incomplete or contradictory, I have to make my decision on the balance of probabilities – which, in other words, means I base my decision on what I think is most likely to have happened given the available evidence and the wider circumstances.

The transfer of Mr H's shareholdings

Mr H has provided us with the schedule of shares provided by the administrator of the previous company that were showing on his account in August 2019 and which were to be transferred to ITI. There were seven shareholdings listed.

I understand from Mr H that he was able to sell one of those while his account was with ITI and one of his six remaining shareholdings – Share A – wasn't showing on his ITI account and which I refer to below. Mr H completed Company B's share transfer form on 10 October 2020 for the five holdings that were showing and again in February 2022 which Mr H told us resulted in a successful transfer.

Overall, the transfer of five of the shareholdings showing on Mr H's account took from October 2020 to March 2022 to complete – 18 months – which is significantly longer than a transfer should take to complete. Because of this this, I think Mr H should be compensated for the significant delays he experienced in the transfer of his five shareholdings and the inconvenience he suffered in having to chase for its completion.

Share A

Mr H told us Share A wasn't showing on his account. I see from an email conversation that Mr H chased ITI for Share A's missing shareholding in December

2021 and was told “that the shares were removed from the share registrar and as a result were removed from client accounts.”

In March 2022 Mr H chased ITI again for the missing Share A holding and was told the “shares were removed from the share registrar and as a result were removed from clients accounts. However, if the registrar presents the position again, they will be positioned back onto the client accounts.”

Mr H has told us that ITI was given a physical share certificate for the holding and he wants to hold a physical share certificate.

From what ITI has told Mr H it has been in touch with the registrar of Share A who confirmed that it had been removed from its register. But Mr H wants a physical share certificate for this holding. So, in order to resolve Mr H's request – or ascertain whether one can be produced – ITI should contact the registrar, or any other relevant party, and request for the production of a share certificate for Mr H if possible or it should provide evidence for Mr H that it has made such a request.

If a certificate can be produced, and incurs a cost, then Mr H will need to bear the cost of that but ITI should let him know in advance how much it will cost to make sure he still wants to proceed.

The transfer of the cash

Mr H emailed his cash withdrawal request of £13,334.80, bank account details and proof of ID to ITI on 30 September 2020. As far as I am able to tell from the account screenshots Mr H has given us, the sum of £13,159.82 was transferred out of Mr H's account on 21 October 2020 – a delay of three weeks which caused Mr H upset.

And there is a difference of £174.98 from his original request so ITI should provide Mr H with a statement of account for the period it was with ITI so that he can identify the reason for the reduced payment of £13,159.82 compared to his withdrawal request of £13,334.80. If any cash does remain on Mr H's account, it should be transferred to him immediately.

The service Mr H received from ITI

It is clear from Mr H's submissions that Mr H's experience with ITI has been a poor one. Mr H told us that he was a frequent trader but wasn't able to trade as he would have liked. As I understand it, he was able to place one trade to sell one of his shareholdings by phone. But it's clear he was frustrated by the process and which he told us incurred a trading fee that did not conform with the agreement of the transfer to ITI. However, I haven't been given anything to demonstrate that Mr H wasn't able to place a trade that he wanted to and suffered a loss as a result.

Mr H experienced significant frustration in his attempts to have his shareholdings transferred despite his best efforts. He has told us he couldn't trade, and the cash withdrawal took longer than it should have done.

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 inevitably have had an impact on ITI's capacity and ability to deal with new customers and increased requests.

Putting the matter right

That being said, it's clear Mr H feels stressed and inconvenienced by the whole affair and hasn't reached a satisfactory outcome regarding his request for a share certificate for Share A.

Clearly, it must have been very frustrating for the delays Mr H experienced and bearing in mind the trouble Mr H has been caused and the very significant delays he experienced in transferring his shares as well as the delay in receiving his requested cash, plus the lack of satisfactory outcome about his share certificate, I think an award of £500 as recommended by the investigator to be a fairer reflection of the distress and inconvenience caused to Mr H."

Overall I said ITI should pay Mr H £500 for the distress and inconvenience he experienced, provide him with a statement of his account while it was with ITI and should endeavour to provide a share certificate for Mr H in Share A and if that wasn't possible, it should provide evidence to Mr H that it had attempted to do so.

Mr H nor ITI responded 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.

As neither party to the complaint has given me anything further to consider, I see no reason to depart from my provisional decision. So, I confirm those findings and I uphold Mr H's complaint. And ITI needs to put the matter right.

Putting things right

Overall, ITI should;

- Pay Mr H £500 for the distress and inconvenience Mr H has experienced.
- Provide Mr H with a statement of his account while it was with ITI.
- ITI should endeavour to provide a physical share certificate for Mr H in Share A and if that is not possible, it should provide evidence for Mr H that it has attempted to do so.

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

For the reasons given above, I uphold Mr H'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 H to accept or reject my decision before 10 January 2023.

Catherine Langley
Ombudsman