

## **The complaint**

Mr P complained about the delays he experienced when transferring his account from ITI Capital Limited ('ITI') after his account was migrated over from a previous business.

## **What happened**

Mr P had an account with a previous firm that had gone into administration and which was transferred over to ITI in July 2020. Mr P wanted to transfer his account to a new platform provider who I shall refer to as 'Company B' in my decision. Mr P gave his transfer instruction to ITI on 17 August 2020.

Mr P experienced delays with the transfer and complained to ITI. He told us it had replied to him on 6 January 2021 and offered £225 as settlement for his complaint. But he didn't want to accept that as he wasn't given a timescale for the transfer.

In February 2021 Mr P told us his broker had received all of his shareholdings and that in March 2021 some of his cash – but not all – had been received.

Mr P told us he had held cash of over £100,000 on account but when he spoke with Company B in April 2022 he found that there had been an unexplained drop in his Euro cash balance from €8,369 to €595 before the final transfer – a difference of €7,774. He says he found this odd as ITI was only ever a trading platform and he hadn't traded. He thought some of the cash may have been used for charges but not for the full €7,774.

In the meantime, ITI had increased its offer to £350 to resolve the complaint which our investigator put to Mr P. Mr P wasn't willing to accept this as he says he didn't receive all of the cash he should have and had requested a breakdown from ITI to find out what had happened.

In the absence of any information from ITI – despite chasing for its file and statement of account – our investigator who considered the complaint thought it should be upheld. In her assessment of 29 July 2022, she said;

- Because of the lack of evidence, she had investigated the complaint with the information she did have and on the balance of probabilities.
- ITI hadn't provided anything to show the cash Mr P had received was correct so couldn't be sure whether its offer to compensate him for the distress he had suffered was correct. So, she upheld the complaint.
- To put things right ITI should provide Mr P with a transaction schedule to show the amounts it had transferred so Mr P could compare this with the funds he had actually received. If there was a shortfall ITI should pay this to Mr P along with 8% simple interest from the date he should have received those funds to the date it was actually sent to him.
- It should pay him £350 for the inconvenience of the four-month delay in the transfer.

Mr P had nothing further to add but said the disappearance of the funds from his account had been worrying and frustrating. The missing amount had never been accounted for.

As the complaint couldn't be resolved, 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 alterations 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;

'After doing so, I've provisionally decided to uphold Mr P's complaint. I'll explain why. I should first say 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.

As mentioned above, there is very little information for me to consider and we haven't been given anything by ITI that would help my consideration of Mr P's complaint. In the absence of that, and after taking in account what Mr P has told us, my provisional findings are below but if either party can provide me with anything additional for my consideration, they should do so as outlined above.

#### The cash discrepancy

Mr P told us he gave the transfer instruction for his account on 17 August 2020. But Mr P said he had around £100,000 in his account and the funds weren't received by his new broker until 16 March 2021. And as detailed above, Mr P couldn't reconcile his account and thinks there is around €7,774 missing. He needs statements of his account in order to understand whether the cash transfer amount is correct, and if it is where did those funds go. And if it isn't, it needs to be put right.

ITI needs to provide a full reconciliation of Mr P's account, including cash (in all currencies and any exchange rate details), shares and dividends received. The statements should cover the period from when Mr P's account was transferred by the joint administrator of the previous firm to ITI to the date of transfer to Mr P's new broker.

And clearly Mr P has experienced significant delays in the cash being transferred to him so I think he should be awarded interest on that cash for the time he has been out of pocket. ITI's own guidelines are that cash payment should be made within two days of request. Mr P has told us he requested the transfer on 17 August 2020, so Mr P should receive interest at a rate of 8% simple from two days after his request, so 19 August 2020, to the date the cash sum(s) were transferred to Company B.

And for any sums that were received by ITI after it transferred the cash to Mr P's new broker – dividends or similar – then interest at the same rate should be applied to those amounts from two days after receipt by ITI to the date of transfer to Company B.

#### The account transfer

Mr P told us he gave the transfer instruction for his account on 17 August 2020. So, his account containing stocks and shares plus cash was to be transferred from ITI to Mr P's chosen broker, Company B.

However, Mr P told us Company B didn't receive all of the shareholdings until February 2021 – six months after his initial request – which is many months longer than I would expect to see.

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 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, it's clear Mr P experienced delays and was frustrated during the period of transfer and I'm sure has been inconvenienced by it all. And no doubt not knowing what happened to the cash on his account must have been very worrying. The investigator acknowledged this and recommended that Mr P should be awarded £350 for the distress and inconvenience Mr P had been caused. ITI has already offered this. And I think £350 is a fair reflection of the distress and inconvenience caused to Mr P.'

To put the matter right I said that ITI should pay Mr P £350 for the frustration and inconvenience he had been caused, plus 8% simple per year on the cash transferred from ITI to Company B plus on any subsequent cash that was transferred. I also said ITI should provide Mr P with a full statement and reconciliation of his account covering the period it was with ITI. And if it did still hold any cash that should be transferred to Company B plus 8% interest as outlined above.

I made further contact with Mr P 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.

In response Mr P said he'd referred to his adviser at Company B who said it was possible that Mr P would have invested differently if the funds had been received earlier from ITI. But he didn't give me any details about how those funds had actually been invested.

And Mr P reiterated that his main priority was with regard to the missing Euro cash balance which ITI hadn't responded to his query about and he says €7,774 was still missing.

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 above, I sought clarification from Mr P about his intentions for the cash sum of around £100,000. 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 purpose as examples and whether he had lost out because of the delays.

In response, Mr P told us he referred to his new broker who 'said it would be very difficult to look back and calculate how much the delay cost me in receiving my cash funds and shares from ITI Capital. It is possible that we would have invested differently if we'd had the funds earlier.'

I asked Mr P for more information about this and he was subsequently been able to provide us with a statement of his account since it has been with Company B. I note from that Mr P's account it was credited with €595.46 and US\$11,951.49 on 12 March 2021 and £46,589.59 on 16 March 2021.

Mr P's portfolio of shareholdings has remained the same (he said because he was waiting for the missing €7,000 to be resolved) but he has made five further purchases – two in May 2022 and three in July 2022 totalling just under €30,000. He currently has just under £28,000 and US\$13,000 in cash.

Mr P told us he did try to access the cash and shares during the transfer but ITI didn't allow him to. He did say he wasn't actively trading – he said he bought shares as an investment – but possibly would have made some sales and reinvestments depending on valuations etc. Mr P confirmed he always had some cash on account.

I haven't anything to show that Mr P was actively trying to make any trades on his portfolio or invest his cash during the transfer process but was prevented by doing so because of any action caused by ITI. It's clear that Mr P didn't invest his cash upon transfer to his new broker so while I can't know exactly what Mr P would have done if he had received his cash sooner, I've not seen any evidence to show that he intended on either selling and reinvesting any of his then current holdings or investing the cash that was transferred.

As such I don't think that Mr P is out of pocket by not having access to his cash. I can't see that he has lost out financially so I don't think in the particular circumstances of this complaint an award of 8% interest on the delays in the funds being transferred to him would be right. So, I make no award for interest.

Mr P has highlighted that his main concern now is about the missing Euros of around €7,000 from his account. Only €595.46 was received and ITI hasn't addressed this point, the funds are simply missing, and Mr P can only surmise that ITI has kept those funds. The last evidence Mr P has of the Euro balance on his account is May 2014 when his statement – from the predecessor business of ITI – shows €8,368.93 was held and he said he hadn't made any transactions since then. So clearly, this discrepancy needs to be responded to by ITI in order for Mr P to be able to reconcile his account.

### **Putting things right**

Overall, ITI should pay to Mr P;

- £350 for all of the delays as well as the frustration and inconvenience Mr P was caused.
- ITI should respond to Mr P's query about the missing Euros as well as provide Mr P with a full statement and reconciliation of his account covering the period it was with ITI. If it does still hold any cash, that should be transferred immediately to Company B.

If ITI Capital Limited doesn't pay the sum to Mr P within one month of ITI Capital Limited being notified of Mr P's account of this decision, then ITI Capital Limited should pay Mr P simple interest on the outstanding sums at a rate of 8% per year from the date of my decision until the date ITI Capital Limited pays Mr P the outstanding sums.

### **My final decision**

My final decision is that I uphold Mr P's complaint and ITI Capital Limited should put the matter right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 January 2023.

Catherine Langley  
**Ombudsman**