

The complaint

Mr F complains Investment Funds Direct Limited trading as Ascentric (Ascentric) displayed the incorrect book costs for his holdings and this prevented him from trading sensibly. He also complained incorrect prices were shown for one of his holdings and the platform wasn't available for him for a period of two weeks.

What happened

Mr F instructed a financial advisor who used Ascentric's platform to trade his investments. On 19 July 2020, Mr F asked for some of his holdings to be transferred between his three different accounts and after this the book costs showed incorrectly. His advisor contacted Ascentric to complain on the basis Mr F was prevented from trading sensibly because he didn't know the true position of the profit and loss.

Ascentric responded to the complaint and accepted the book costs had been incorrectly displayed. Initially, they offered Mr F £250 to resolve the complaint.

Further to this, Mr F also raised an additional concern that the platform was broken for him for a period of two weeks during the time the book costs were displayed incorrectly. He said this meant he could not view his holdings. And he complained about the display prices being lower than expected.

Ascentric issued two further responses covering these issues and said they hadn't done anything wrong. Mr F remained unhappy and asked our service to look into things. Ascentric agreed it was sensible for us to consider these issues together and increased their offer to £350.

Mr F also referred a complaint he had previously raised about international share prices being displayed incorrectly on Ascentric's platform for over six months. A decision that this complaint was referred to us out of time has been made. So, I'm unable to comment on this further.

I issued a provisional decision on 20 December 2022. I said:

Incorrect book costs

Ascentric have already accepted the incorrect book costs were displayed for the investment holdings transferred between accounts at the end of July 2020. They've explained they showed the prices from the date of the transfer, rather than the original price when purchased.

Additionally, they've accepted there was delay in rectifying the book costs. They were first notified on 29 July 2020 by Mr F's financial advisors and whilst the matter was being rectified, they didn't provide clear timescales in respect of when Mr F could expect it to be fixed. Mr F has confirmed the book costs did not report accurately until mid-November 2020.

Ascentric offered £350 in recognition of the frustration and inconvenience caused. This wasn't accepted by Mr F. He said he held about £200,000 worth of investments on the platform and so the opportunity loss may have been significant. I do recognise the inconvenience and frustration suffered. Also, that it would have been harder to place trades because of the issues identifying the profit and loss, as well as capital gains. But I'm not persuaded he was prevented from trading sensibly.

In response to the view, Mr F has said Ascentric told him they were unable to use the information on the platform to calculate the book costs but that's what he is being told he could have done. Mr F has also said he had a ticket open about not being able to view the contract notes on his tablet (which he said he understood they support).

Firstly, I would note it would be unreasonable of me to expect Ascentric to ensure compatibility of all the functions on its platforms with all devices. They've explained this is something their working on expanding, particularly in respect of the tablet Mr F was using.

Nevertheless, I'm satisfied Ascentric made all details of trades placed and contract notes available through the platform. This information could be used to identify the original purchase price, which could then be used to calculate the profit and loss and capital gains tax on potential trades. However, I do appreciate this would have been more inconvenient for Mr F. He also appointed a financial advisor. For example, I've seen evidence the financial advisor did contact Ascentric about a potential trade in August 2020.

I can see from the evidence Mr F contacted Ascentric, and his financial advisor also contacted them on his behalf. Mr F has confirmed the advisor's time amounted to approximately £1,000. Ascentric said they wouldn't normally look to cover this cost but might consider it. I'm not able to comment on this as my role is to consider the impact to Mr F, and I've not been provided with evidence to show these costs have been passed on to Mr F. But I'll consider anything else I'm provided.

Overall, Ascentric displayed incorrect book costs and took a significant amount of time to rectify this. This caused Mr F frustration and took up his time to deal with it. I'll come back to how they should put things right below.

Platform availability

I've seen an email Mr F sent to his financial advisor where he confirmed he had told Ascentric how to fix the problem with the platform and after 20 days he could view his investments. I understand he could only view a blank screen. I appreciate this would have been frustrating for Mr F who wanted to use the platform. Additionally, I've reviewed correspondence from July 2020 where Mr F was asked if he had tried clearing his cache and logging in on another device/browser. Ascentric asked him twice because they couldn't locate his reply.

However, based on the evidence I've seen I can't conclude Ascentric were responsible for a fault which prevented Mr F from viewing the platform. Ascentric recognise there are some compatibility issues with certain devices which they're working on. Ascentric have also confirmed with their IT department that there were no unexpected errors or downtime within the period described by Mr F. They also have a recommended device and browser for viewing the platform.

Having reviewed the evidence I've received, I'm not persuaded Ascentric's service was unreasonable here as the evidence isn't sufficient for me to conclude there was an issue with the platform caused by Ascentric.

Incorrect Price

In October 2020, Mr F complained the price for his Ceres Power holding was wrong. His financial advisor called on 5 October 2020 to query the display price because it differed from the live price. Mr F was concerned he'd be unable to make trading decisions.

I've reviewed Ascentric's response to Mr F in which they explain how the price is displayed. They said Ceres Power was an equity share traded on the London Stock Exchange electronically. They went on to say the closing price is set in one of two ways.

Firstly, there is a closing auction where market participants can put in orders for the closing price. If there are sufficient orders for the auction to result in a trade, the price of that trade will determine the official closing price for the stock for that day.

Secondly, Ascentric explained if there aren't sufficient orders for the auction to result in a trade, the official closing price is determined as the mid-price of the bid/offer spread at the end of the auction period.

Ascentric have confirmed they display the mid-price by calculating the average of the bid and offer prices received via a daily feed from their data vendor. In their response to Mr F, they also provided a table with information of the most recent prices for Ceres Power and confirmed they do not provide a live feed for anything exchange traded.

Ascentric also explain in their terms and conditions that the prices of assets displayed should only be used as an indicative price and they will price Exchange Traded Instruments at mid-market price as per HMRC guidance (9.2).

Ascentric have further explained that the price hadn't been updated when the financial advisor called on 5 October 2020. They've said this was because they set a tolerance level for pricing data received from the vendor. The mid-price exceeded this tolerance level, so it was necessary for it to be manually verified and the previous active price was displayed until verification.

Having considered this, I'm not persuaded this meant Ascentric's service was unreasonable, and I'd note it's not unusual for platform providers to implement these types of checks before displaying prices.

Having reviewed the information, I'm satisfied Ascentric's service has been reasonable here. When Mr F raised concerns, they sought to explain how they calculated their display prices and I'm satisfied this is in no way unusual. The evidence doesn't persuade me Ascentric displayed incorrect prices. Moreover, they don't display the live prices on their platform, so the prices are only intended to be indicative as described in their terms and conditions.

Putting things right

Ascentric have offered Mr F £350 compensation. I appreciate he didn't agree this reasonably reflected the impact of their service failings. I would assure Mr F that I do

recognise the inconvenience and frustration he experienced because of the incorrect book costs. However, I'm satisfied this is an appropriate amount of compensation in the circumstances.

I also want to note that this isn't to be considered a penalty for Ascentric and it is outside of our remit to take punitive measures against businesses. It is also not intended to reflect Mr F's personal day rate as this isn't in line with our approach.

I gave both parties the opportunity to comment before I proceeded to make a final decision on the complaint. Ascentric confirmed they had nothing to add and accepted my decision.

Mr F didn't agree with what I set out. In summary, he said:

- His financial advisor spent time (which amounted to about £1,000 in professional fees) in trying to get the book costs corrected. This could be checked with his advisor and reflects the difficulty in placing trades.
- The £200,000 was the total amount of tradeable assets with the incorrect book costs (as opposed to the total value of investments held on the platform).
- The shares have been traded over many years and sometimes they were sold and repurchased. So, it would be very difficult (if at all possible) to work out the book costs from scratch. It might have taken an hour or more to calculate the position of one trade, particularly when navigating a system which wasn't very easy to use.
- Ascentric agree to provide a platform with useful up to date information and it's not reasonable to say a client could recalculate all of the information (going back over ten years) because the information they supplied was wrong and they were unable to fix it within the statutory time.

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.

Having done so, I see no reason to depart from the conclusion I previously set out.

I accept what Mr F has said about his advisor's fees and the difficulties in trading. I've seen some correspondence between his advisor and Ascentric which also demonstrates the difficulties in trading and getting the issues resolved. I also agree it took Ascentric too long to put things right. Moreover, I have also addressed the difficulties Mr F would have had trading himself. I'm satisfied I've appropriately considered these issues and they've been addressed as set out above.

I also acknowledge what Mr F has said about the £200,000 and I apologise for the confusion here. But I'm satisfied this point does not materially change the reasons I previously outlined for reaching my decision.

Putting things right

Ascentric should pay Mr F £350 compensation for the reasons set out above. This is fair and reasonable in all the circumstances of this complaint.

My final decision

For the reasons outlined above, my final decision is that Investment Funds Direct Limited trading as Ascentric should pay Mr F £350 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 April 2023.

Laura Dean
Ombudsman