

The complaint

Mr B complained about the service provided by Halifax Share Dealing Limited ('HSDL') during the process of arranging an ISA transfer to a third party. He said HSDL was responsible for a delay during the transfer which had caused him a great deal of worry and resulted in financial loss.

To put things right Mr B wants financial compensation in line with investment loss suffered as a result of the transfer to his new provider taking an unreasonable length of time to complete, as well as redress in recognition of the emotional distress and worry he suffered as a result.

What happened

Mr B held a stocks and shares ISA with HSDL. The following timeline of events briefly summarises what happened:

20 May 2021 - Mr B's new provider sent his completed transfer request to HSDL to start the ISA transfer process which required HSDL to encash his existing investments and transfer the cash value to his new financial provider.

22 June 2021 - Mr B's financial adviser phoned HSDL to chase up the transfer. It became apparent that Mr B's new provider had not sent the transfer request to the correct address. Arrangements were made to resubmit the transfer request paperwork.

23 June 2021 - HSDL received the ISA transfer request.

22 July 2021 - HSDL logged the request.

3 August 2021 – HSDL instructed assets to be sold.

4 August 2021 - Mr B's assets were sold.

9 August 2021 – payments settled.

12 August 2021 – the proceeds were transferred to his new provider.

13 August 2021 – Mr B's new provider processed the proceeds and applied these to fund investments.

HSDL partly upheld Mr B's complaint about the way it had handled his transfer request. It said it wasn't responsible for the delay prior to 23 June but agreed that HSDL had caused a month long delay in logging the transfer request and offered to pay Mr B £50 redress for the distress and inconvenience this caused him. It said however that there were no significant delays after that and it didn't agree it was responsible for any investment loss.

Mr B didn't feel this went far enough to resolve things and he brought his complaint to us.

One of our investigators looked into what happened. She thought that HSDL needed to do more to put things right and recommended it should also reimburse Mr B for any loss caused by the delay, on top of the £50 already offered. She passed on information from Mr B's new provider showing how the transfer from HSDL had been applied.

Mr B agreed with the investigator but HSDL disagreed. It mainly said (in summary) that this wasn't a straightforward cash ISA transfer – investments had to be sold during the transfer process and it didn't agree that the 30 days HMRC timescale should be taken into account when HSDL was facing delays due to the Covid pandemic and it had explained to clients that transfers could take up to 12 weeks. It also mentioned that Mr B could have sold the investment at any point prior to HSDL selling on 3 August.

The complaint came to me to decide. I issued a provisional decision.

What I said in my provisional decision

Here are some of the main things I said.

'A key part of Mr B's complaint concerns the length of time it took to complete his transfer request.

Like the investigator, I think it's fair for HSDL to say it wasn't responsible for what happened prior to 23 June 2021. Mr B hasn't objected to this finding, so I assume he is in agreement also. And HSDL has already upheld Mr B's complaint about the month long delay after it received his transfer request so I don't feel there's any need for me to say more about this.

But Mr B was entitled to expect HSDL to handle his transfer request within a reasonable timescale once it received it. In coming to my decision, I've taken into account that:

- HSDL has acknowledged that it missed email chasers from Mr B's new provider – this meant Mr B had no knowledge about what was happening and, potentially, that opportunities to move the transfer along might have been missed.
- Although HSDL told its customers that transfer requests were taking up to 12 weeks to complete and from Mr B's transfer being logged to completion this took 22 working days, this doesn't change my overall view. The industry standard for transfers of this type (which didn't change during the pandemic) indicates the matter should have been completed within 30 calendar days – so around 22 July 2021. HSDL took around 3 weeks longer than this.

I find, on balance, that:

- it's not disputed that HSDL could and should have done more to action Mr B's transfer request on a more timely basis and,
- but for HSDL's admitted delay, Mr B would have been in a position to invest on 22 July 2021 in the way that he did when the transfer-in to his new provider completed on 12 August 2021.
- Whilst Mr B could have sold the investment at any time, doing this ahead of HSDL selling on 3 August 2021 would have likely interrupted the transfer process he had already set in motion and added further overall delay. So I don't consider this mitigates HSDL's responsibility for any investment loss arising due to the transfer not happening as quickly as it should have done and the effect this had on Mr B's ability to reinvest the proceeds as quickly as he had hoped to do.

So I agree with the investigator that to put Mr B into the position that he would have been in, had the transfer completed as it should have done, HSDL should reimburse Mr B for any resulting loss.

I've also thought carefully about the emotional distress and worry Mr B told us he experienced. I can understand why this was such an anxious time for him – there was a significant amount of money at stake and he was actively hoping to re-invest just as quickly as he could – which he did immediately he was in a position to do so.

On balance, I think the £50 offered for this is insufficient. I consider that £100 is fair compensation to reflect the impact on Mr B of the delays and shortcomings in the service HSDL provided to him on this occasion.⁴

What the parties said in response to my provisional decision

Mr B has confirmed he has nothing further to add.

I have heard nothing further from HSDL and the deadline for responses has now passed, so I think it's reasonable for me to proceed with my review of this complaint.

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.

I'd like to thank both parties for all the information that has been provided about this matter and Mr B for responding to my provisional decision. Given that I've not received any further evidence or comment that changes my mind about this complaint, I confirm the conclusions I reached in my provisional decision.

Putting things right

To put Mr B into the position he would have been in had HSDL completed the transfer on 22 July 2021, it should:

- compare the current value of Mr B's holding (or otherwise, the value of any respective units when sold) (I'll call this value 'A') with the current notional value of his holding had HSDL completed the sale of his units on 22 July 2021 and on 23 July 2021 Mr B had applied the entirety of the sale proceeds towards purchasing units in the investments (and in the same proportions) that he applied to buy on 13 August 2021 (I'll call this 'B').
- If B is greater than A (in other words, Mr B's investment is worth less than it would have been had HSDL completed the transfer when it should have done on 22 July) then HSDL should pay the difference to Mr B to reimburse him.
- HSDL should set out the figures it relies on and its calculations in a clearly understandable way so that Mr B can see how the amounts have been worked out.
- Pay Mr B £100 in total to reflect the stress and anxiety HSDL caused him. So, to be clear, if HSDL has already paid the £50 offered previously this can be offset against this amount.

My final decision

I uphold this complaint and direct Halifax Share Dealing Limited to pay Mr B as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 May 2023.

Susan Webb
Ombudsman