

## The complaint

Mr A complains about Citibank UK Limited's failure to provide him with information relating to his investment portfolio. He also complains about the way it handled his request to transfer his portfolio to a new manager.

## What happened

In June 2022, after failed attempts to get clarification, Mr A raised concerns about notifications of trades he was receiving from Citi on his investment account that he didn't recognise. He also made a request to receive tax information for his portfolio.

In August 2022, Citi responded. In summary it said:

- Citi has acted in line with its processes and procedures by sending Mr A notifications in advance of Voluntary Corporate Actions (VCAs). When it is notified about an upcoming VCA, it sends a market notification to all clients with affected holdings. Clients are able to review these upcoming VCA's on their online account and decide how to participate in the market event.
- It would action the request to provide a full tax report for the 2021/22 tax year, and a tax report covering the period from 6 April 2022 until account closure.

Mr A remained unhappy and his representatives contacted Citi on his behalf raising further points about the handling of his account – this included further points in relation to the unrecognised transactions and also a failure to provide the tax information he required. Mr A also provided an intention to transfer his investments to another manager.

Citi sent a further response to the complaint. This covered concerns Mr A had raised about the closure of his banking facility with Citi. It also gave a further explanation on the issues Mr A raised about his investment account. It reiterated the notifications for trades which Mr A did not recognise relate to VCA events. And provided a list of all VCAs on the account in the last 12 months to show the instances in which Mr A did not respond, and therefore the default option was enacted. It also provided a tax report for the financial year 2021/22 – and this included the portfolio base costs giving details of the investments' cost at the time of purchase and sale. It said it was unable to provide a report for 2022/23 until after the end of the financial tax year.

As no satisfactory resolution could be found, the complaint was referred to this service for an independent review.

One of our investigators looked into the complaint. He recommended Citi pay Mr A compensation for the impact of its handling of the situation. In summary he said:

- Citi should pay Mr A £300 compensation for the distress and inconvenience caused. This is in recognition of the delay in receiving the tax report. It also factors in the delay in transferring the investment portfolio. But he didn't think Citi was required to meet the legal fees Mr A had incurred in perusing the matter.
- Citi should send Mr A his 2022/23 tax report (if it hasn't already been done it) within a reasonable timescale.
- In respect of the notifications, he found they looked like 'corporate actions' relating to

existing shares Mr A held within his portfolio and was satisfied a reasonable explanation had been given.

Citi responded and accepted the investigator's findings.

Mr A didn't agree with the outcome and requested an ombudsman reach a decision. His representatives said there had been a misunderstanding of the basis of the request in relation to legal fees. They said Mr A had to instruct them because Citi was completely ignoring his requests and complaints. The legal costs were in the main accrued during the interaction with Citi. They also requested the 2022/23 tax report was provided now.

### **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.

At the outset, I'd like to confirm that my decision relates to the issues Mr A has raised about his investment portfolio and the problems he has had obtaining responses and information he requested in relation to it. I haven't considered anything to do with Citi's decision to close his accounts.

Firstly, I have considered the points made about how Citi responded to Mr A's requests for clarification on notifications he received about his investments. Mr A raised several queries over a number of months about notifications for transactions he didn't understand. As he didn't receive a satisfactory explanation, Mr A raised a complaint.

Having reviewed the available evidence, it appears the request weren't handled well, and it took until Mr A made a complaint and referred it to this service for a full explanation to be given. Citi has clarified that the notifications Mr A was unclear about were all VCAs. I note Citi has provided a breakdown of these transactions for the preceding year. I haven't seen that Mr A has raised any points about the breakdown. While it could have responded sooner and given Mr A full explanation, I haven't found reason to say that there are transactions completed incorrectly or Citi has done something wrong. The evidence provided indicates the notifications related to corporate actions and where no response or instruction was received from Mr A, the default positions were followed. So, I haven't seen that Citi have made any errors, but it remains that it initially didn't respond in a clear and timely manner. I will consider this as a point later in my decision.

Mr A also requested tax information on his portfolio to allow him to accurately complete his returns. Citi agreed to do this, but again there was a delay in it being received. From what I can see Mr A didn't receive a detailed breakdown for the 2021/22 tax year until November 2022. At the time the investigator issued his assessment Mr A had yet to receive the information he needed for the 2022/23 tax year; this was due to the year only just ending. Citi has confirmed that it did provide this information in time for HMRC deadlines to be met, albeit not as quickly as Mr A wanted. So again, I'm satisfied Citi has responded to Mr A's requests, but there were some delays in it doing so.

Lastly Mr A requested to transfer his portfolio to a new manager. Citi says it logged this on its system on 8 September 2022 and initiated with the relevant counterparty on 26 September 2022. Citi's expected turnaround time for transferring funds is up to six weeks. Mr A's transfer took longer than this and Citi says it was finalised on 4 January 2023. It says this was because of the complexity of the transfer, and partly because of requests made by the receiving business. However, it does concede it issued some instructions with an incorrect format, which might have also contributed to delays. So again, it does appear that Mr A's instructions were completed, but there were some failings that caused delays.

The investigator recommended that Citi pay Mr A compensation of £300 to recognise the impact of its handling of the issues. Citi accepted this. Mr A's representative said Citi should also cover the legal fees he has incurred as Citi at fault for ignoring his requests and complaints.

I agree that it is fair and reasonable for Citi to pay Mr A compensation for the impact of the service failings identified. Mr A has been caused frustration and inconvenience as a result of his dealings with Citi, there have been delays in receiving information requested and it has taken time for him to get the explanations he was seeking. Bearing in mind what Mr A has told us, I'm persuaded these failings of Citi caused him distress and inconvenience. In my view, considering the level of impact Mr A has told us about, £300 would be fair and reasonable compensation for this.

I have also considered whether Citi needs to cover the legal fees Mr A has incurred as a result of instructing a representative to take up the matter for him. This was a decision he made independently, and not something Citi suggested or required him to do as it was initially dealing with him directly. I acknowledge that as he wasn't getting the answers he wanted, he felt the need to instruct a representative. But I haven't found that in the specific circumstances of this complaint that it is fair and reasonable to ask Citi to meet the costs incurred.

### **Putting things right**

I've found Citibank UK Limited at fault, so it should put things right. To compensate Mr A, Citibank UK Limited should pay him £300 for the distress and inconvenience it caused.

### **My final decision**

I uphold Mr A's complaint and direct Citibank UK Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 February 2024.

Daniel Little  
**Ombudsman**