

## The complaint

Mr S complains that due to failings on Elevate Portfolio Services Limited's part (trading as abrdn) he received incorrect information about the value of a shareholding. Mr S sold his shares based on this incorrect information. When the error came to light, shortly after the trade had been placed, abrdn corrected its error. This significantly reduced the amount Mr S received for the sale of his shares.

To put matters right Mr S wants abrdn to honour the amount it initially said he would receive for the sale of his shares.

## What happened

I understand that in late February 2023, Mr S reviewed his portfolio. It showed that the share price of a stock he held had increased significantly. Mr S placed a trade to sell these shares.

However, due to an error on abrdn's part it had not placed a stop on trading in this stock or updated its records to reflect that the stock had been subject to a corporate action. The corporate action was a reverse stock split and the number of shares had been reduced by a ratio of 10:1.

Shortly after the trade had been placed, abrdn realised that an error had been made - it had not updated Mr S's shareholding to reflect the reverse stock split. It corrected its error and the proceeds from the sale showing in Mr S's cash account was reduced to reflect this.

Mr S complained to abrdn about the very poor service he had received. It apologised for the inconvenience this matter had caused Mr S. Initially it said it had notified Mr S's adviser about the corporate action, so it didn't think it needed to compensate Mr S for any loss he may have suffered. However, it subsequently acknowledged that it had not notified Mr S's adviser about the corporate action before he placed the trade.

To put matters right it said it would repurchase the exact number of shares that Mr S had sold and cover any additional costs involved in doing so. It also offered to pay Mr S £250 for the loss of expectation he had suffered.

Mr S was not satisfied with abrdn's response and referred his complaint to this service. He said in summary that he felt abrdn should pay *'...the full sale value agreed on the system that morning plus costs of the time taken to fight this complaint.'*

Our investigator said he felt the offer abrdn had made to put matters right was fair and reasonable and he didn't think it needed to do more to resolve this complaint.

Mr S did not accept the investigator's view. He reiterated that he felt abrdn had made a number of errors. In particular, he said it had:

- *processed the trade when actioned at the price of £6083 and that appeared as cash in my portfolio; and it had*

- *failed to notify my advisors of the corporate action*

Mr S also said he felt abrdn '*...broke their terms and conditions multiple times and should be liable for the loss incurred by myself. (Regardless of the 'actual' value of shares as the money was added to my cash account and then removed).*'

### **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 am sympathetic to Mr S's position but having carefully considered this matter I think the offer abrdn has made is fair and reasonable in the circumstances of this complaint. I don't think it needs to do more to put matters right. I'll explain why.

It is not in dispute that due to failings on abrdn's part, Mr S thought the value of shares he held had increased very significantly. I note that abrdn failed to notify Mr S or his adviser that shares he held had been subject to a corporate action. It also failed to place a stop on trading in the stock until it had updated the size of Mr S's holding to reflect the corporate action.

The corporate action was a reverse stock split and the number of shares in Mr S's portfolio should have been reduced by a ratio of 10:1. As abrdn hadn't updated Mr S's shareholding to reflect the reverse stock split it would have appeared to Mr S that the value of his holding had increased around tenfold.

As a result of these failings on abrdn's part, when Mr S reviewed his holdings he, not unreasonably, thought he had made a significant gain on his holding and placed an instruction to sell the shares.

I appreciate that it must have been very disappointing for Mr S when it came to light that his shares hadn't dramatically increased in value and the apparent increase was because abrdn hadn't updated his account to reflect the reverse stock split.

To resolve this complaint Mr S says abrdn '*should be liable for the loss incurred by myself.*' As our investigator explained, Mr S has suffered a loss of expectation but he has not suffered a financial loss as a result of abrdn's errors. abrdn has offered to put Mr S back in the position he would have been in, but for its errors and to pay him £250 for the loss of expectation he has suffered. I think this is fair and reasonable.

I can't reasonably require abrdn to pay Mr S the amount he thought he would receive for the sale of the shares. As Mr S is aware, he would not have been able to sell his shareholding for around ten times its actual value so I don't think it would be fair for Mr S to profit from abrdn's errors in this way.

I do however think that Mr S should be compensated for the loss of expectation he has suffered because of abrdn's error. I think the £250 it has offered to compensate Mr S for this is fair and I don't think it needs to pay Mr S more.

I do understand that this is not the decision Mr S was hoping for, but I am required to be fair to both parties when determining complaints and I think the resolution abrdn has offered Mr S to resolve this complaint is fair and reasonable.

**My final decision**

My decision is that for the reasons I have set out above I don't think Elevate Portfolio Services Limited needs to do any more than it has already offered to resolve this complaint.

I simply leave it to Mr S to decide if he now wishes to accept the offer Elevate Portfolio Services Limited has made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 March 2024.

Suzannah Stuart  
**Ombudsman**