

The complaint

Mr P complained about the service provided by Halifax Share Dealing Limited trading as IWeb Share Dealing ('IWeb') when he requested it to transfer a stocks and shares ISA held with a third party provider (whom I'll call T) to his IWeb share dealing account. In particular, he was unhappy that IWeb initially told him over the phone that it would make the transfer to his existing IWeb account but then declined to do so. Mr P said IWeb caused him a great deal of stress, lost work, lost sleep and lost leisure time because it failed to provide him with any satisfactory explanation to tell him why it couldn't communicate with T.

What happened

26 July 2022 - after speaking to IWeb about making the transfer, IWeb sent Mr P an ISA manager transfer form for completion.

27 July 2022 – Mr P completed and returned the form to IWeb instructing it to arrange the transfer of his T holding to IWeb.

15 August 2022 - Mr P sent a chaser email to IWeb.

16 August 2022 - IWeb emailed Mr P saying – *'we cannot proceed with your transfer request due to some issues preventing us from corresponding with this company. We apologise for any inconvenience caused by this. We will notify you if our position changes.'*

1 September 2022 - Mr P emailed IWeb saying this was unacceptable and he asked for a further explanation:

When Mr P didn't receive a reply to his email and his efforts to find out more about why IWeb wasn't actioning his transfer by speaking to IWeb on the phone were unsuccessful, he complained to IWeb.

IWeb upheld Mr P's complaint in part and said, in brief summary:

- it had cancelled all transfers with T and would continue to reject new ones.
- IWeb had communicated this information to customers explaining that it couldn't facilitate transfers with T due to issues preventing it from corresponding with T so IWeb had decided not to accept transfer instructions involving T. IWeb appreciated this might make things more difficult for customers but said it couldn't forecast events happening which could result in IWeb no longer accepting transfer instructions.
- IWeb's failure to reply to Mr P's email was the result of an internal administration error so it upheld this part of his complaint. IWeb apologised, confirmed feedback had been provided to the relevant department and, in recognition of the distress and inconvenience this had caused Mr P, it offered him £50 compensation.
- IWeb didn't agree there had been any shortfall in the service provided by its call handlers.

Mr P didn't feel this went far enough to resolve things and so he brought his complaint to us and one of our investigators looked into what happened.

Our investigator said IWeb's communication had been poor, it hadn't treated Mr P fairly and his view was that it should pay him £150 to reflect the distress and inconvenience IWeb's actions caused Mr P.

Mr P agreed with our investigator's settlement proposals. IWeb didn't respond. 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.

'I can tell IWeb to pay compensation or take other steps to put things right if I am satisfied that IWeb did something wrong or acted unfairly or unreasonably – and this led to Mr P suffering financial loss or some other detriment.

I've taken into account that Mr P had concerns about the way IWeb's call handlers dealt with his enquiries about this matter. I can see that IWeb addressed that issue in correspondence and denied that Mr P was treated unfairly or unreasonably. From what Mr P has said about this, it seems to me that this is part and parcel of his wider complaint - he describes being '*ghosted*' by IWeb when he was trying to find out more about its reasons for not actioning his transfer request. So I will focus in my decision on Mr P's complaint about IWeb's failure to respond to his questions about why it wouldn't agree to carry out his transfer instructions and how it was able to justify taking this stand, which Mr P felt was in breach of his share dealing agreement with IWeb.

I've looked carefully through the terms and conditions that Mr P would've signed up to in order to be able to use IWeb's share dealing service. These allow IWeb scope in some circumstances to decide not to act on a customer's instructions and I haven't seen enough to say that IWeb wasn't reasonably entitled to make that decision here. I'll explain my reasons.

A financial business does have some discretion and flexibility over which other firms it does business with. IWeb exercised its commercial judgement when it decided to stop accepting business from T. It was entitled to do that and I am satisfied it exercised its judgement reasonably – IWeb was having issues corresponding with T and had concerns about aspects of T's operation. There isn't any rule or guidance that says IWeb was required to accept transfers from T or anyone else. So the fact that it didn't agree to carry out Mr P's transfer instructions isn't enough of a reason for me to find that it did something wrong.

Further, I'm mindful that it was open to Mr P to close down his T account and get the cash sent to his bank account from where he could've then funded his ISA with IWeb, so he wasn't without other options.

IWeb still needed to tell customers who were affected by this decision, like Mr P, about its decision not to communicate with T.

I don't know if IWeb sent Mr P the standard letter it says went out to affected customers, but the same information was included in its email sent to Mr P on 16 August 2022.

Mr P had put in his transfer request to IWeb around three weeks earlier and I think IWeb should have responded more promptly to tell him that it hadn't actioned this – and it didn't intend to. But I find this delay made no overall difference so far as Mr P was concerned. I say this because although Mr P knew by mid-August that IWeb had said it couldn't proceed

with his transfer request, he didn't take any other action himself to effect the transfer until some months later, even though IWeb's email also included information telling Mr P that he had an option to transfer to another provider, explained how to do this and confirmed that IWeb would make no charge for transferring the account. I'm therefore not persuaded that even if IWeb had told Mr P earlier it wouldn't transfer, that he'd have done anything differently.

I appreciate that Mr P wanted more information from IWeb than it provided – but in these circumstances, that is not a good enough reason for me to uphold this part of his complaint. I think he had enough information to be able to take mitigating actions himself had he wanted to do so.

IWeb has already upheld Mr P's complaint about failing to reply to his 1 September email so I don't need to say more about that or make any findings about what's already been agreed. I've carefully considered what redress is fair and reasonable in these circumstances.

Like our investigator, I don't find Mr P has suffered any investment loss that IWeb should compensate him for – his money remained invested in his stocks and shares ISA throughout.

I've taken into account that Mr P told us there were times when he'd been '*in an unfit state of mind*' to continue at work, in particular on one occasion after an hour on the phone with IWeb. And I sympathise - I can completely understand why that would have been so distressing at the time.

But for the reasons I've explained more fully above, I don't find that IWeb did anything wrong when it told Mr P it couldn't action his transfer from T and I think it's likely that if he'd taken steps sooner to rearrange the transfer to another service provider, which IWeb's 16 August email prompted him to think about doing, then he could have avoided much of the frustration he experienced in his dealings with IWeb when he was pressing for information I can't fairly or reasonably say he was entitled to insist upon. Once IWeb had made its decision and communicated this to Mr P and flagged up his available options, this put the onus back on Mr P.

Taking these things into account, I find that the £50 offered by IWeb is fair and reasonable. It broadly reflects the amount I would expect IWeb to pay in these circumstances. And I haven't upheld any other part of his complaint, so it follows that I cannot award further compensation. I'm sorry to disappoint Mr P. But as I'm satisfied IWeb dealt with his complaint fairly I'm not telling it to take any further action beyond doing what it has already offered to do.'

What the parties said in response to my provisional decision

Mr P hasn't responded to my provisional decision. IWeb has confirmed it has nothing further to add. 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.

As no further comments have been received in response to my provisional decision that change what I think about this case, for the reasons I explained in my provisional decision, I still think it's fair for IWeb to pay Mr P £50 (if it hasn't already done so) to put things right.

Putting things right

IWeb should pay Mr P £50 (if it hasn't already done so) to reflect the impact on Mr P of its admitted service failing.

My final decision

I uphold Mr P's complaint in part and Halifax Share Dealing Limited trading as IWeb Share Dealing should take the steps set out above to put things right for Mr P. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 September 2023.

Susan Webb
Ombudsman