

The complaint

Mr K complains about the way ITI Capital Limited have administered his share dealing account. He has encountered problems with the transfer of his account. He has also raised concerns about how a name change on his account was handled and the way he has been communicated with.

What happened

Following the insolvency of his previous broker, in July 2020, Mr K's investments were transferred to ITI. He held a trading account and the shares and any cash he held were to be transferred.

In February 2021, Mr K informed ITI that he had changed his name. He sent a statutory declaration and asked for his account to be updated. At the same time, he also decided he wanted to transfer his account after having problems with ITI not complying with requests to receive communications in an accessible format.

In March 2021, Mr K found a new broker and sought to transfer his account away from ITI to the new broker. But he encountered problems due to ITI not properly updating the name on his account. ITI was communicating with his new broker about the transfer using his old name. This caused a delay in the transfer and prevented him from trading.

In May 2021, Mr K's new broker sent a transfer tracker e-mail with a valuation of his investments. Mr K noticed that one of his share holdings had reduced. He found out after ringing ITI that there had been a corporate action, but he had not been told about it. He says ITI had previously told him a computer glitch had been the reason for the discrepancy.

Over the next few months ITI continued to send emails to Mr K's old email address, associated with his previous name. Mr K also raised a complaint about the way he had been dealt with by ITI through the various issues he had relating to the transfer, changing of his name and issues understanding his share portfolio. He requested compensation for all the calls and waste of his time when dealing with ITI.

At the start of July 2021, Mr K received an e-mail from the new broker to say the transfer had been completed, but dividends had not been transferred and he still had not received a statement of his account from ITI.

Mr K says he didn't receive a response to his complaint, but in July 2022, ITI contacted him to say it was exiting the UK retail market (sent to his old email address). He was then unexpectedly contacted by the new broker regarding a transfer from ITI. Following this Mr K contacted this service for help as everything still hadn't been resolved.

I issued a provisional decision in September 2023. This is what I said:

"From what I've seen, I'm persuaded ITI failed to provide an adequate service to Mr K while it held the account. I'm also persuaded ITI took too long to complete the transfer to Mr K's new broker."

I've considered all of the information Mr K has provided about the impact of the service failings. This includes what he has explained about the problems he has encountered as a result of ITI's failure to correctly update his name on its records, the frustration and inconvenience he has suffered as a result of his dealings with ITI, all of the delays he has experienced and the impact that has had on him being able to manage his investments. I've also taken into account what Mr K has told us about the way ITI has communicated with him – including that there have been times when it failed to make the adjustments he asked for and required to allow him to read information sent to him. It is disappointing to hear that information was sent to Mr K in a format he couldn't read, despite his request for a larger font to be used.

Bearing in mind what Mr K has told us, I'm persuaded these failings of ITI caused him inconvenience and distress. It is appropriate that ITI compensates him for this. In my view, considering the level of impact Mr K has told us about, £750 would be fair and reasonable redress for this. I say this bearing in mind that I've seen nothing from ITI that makes me think this wouldn't be fair.

I agree with our investigator that the evidence available isn't sufficient to persuade me that redress for trading losses is due here, as what I have isn't enough to persuade me of exactly what trades, and so what profits or losses, Mr K might have made had he had timely access to his funds.

I understand that Mr K was concerned that ITI failed to provide notice of a corporation action that led to the number of shares he held reducing in a particular holding in his account. It is unclear whether ITI was in a position to notify Mr K of this corporate action and I note the investigator explained this was a mandatory action, which would mean there wasn't an action that Mr K needed to take. So, while it would have been better for Mr K to receive notice, I haven't seen evidence that his position has been compromised. Where there is a share consolidation, this doesn't reduce the overall value of the holding, instead it consolidates shares into a smaller number, but the underlying value remains in line with what they were worth previously.

Mr K has confirmed to this service that his new broker has now received the shares that were transferred as well as the additional funds he had in cash. On this basis I'm satisfied everything that is required to be transferred has been."

Mr K responded to say he is in agreement with the provisional decision and overall, he is happy with the conclusion of the ombudsman. But he did provide some additional comments. In summary he said:

- On the issue to do with consolidation of shares, had he been told about the consolidation he would have sold his original holding and then rebought the original number of shares he held to ensure he received future dividends on this number of shares.
- ITI continue to send emails to his old address.
- He is concerned he doesn't have a dividend history from ITI, and he needs this for when it comes to doing his tax returns. He needs the information as a large print physical document to enable him to carry out his affairs in an effective way for his sight issues.

ITI responded and said it accepted the provisional decision.

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 both Mr K and ITI have accepted my provisional findings, I've got no reason to change the outcome I set out in my provisional decision.

I have noted Mr K's additional comments. I acknowledge that he has said he would have taken different actions had he been aware of the share consolidation. I accept this possibility, but I don't agree ITI has caused him a financial loss here. Even if he would have sold and re-purchased the shares, he would have had to fund the purchase of additional shares post consolidation at his own expense. And for the reasons previously explained, I don't think the share consolidation reduced the overall value of his holding.

In respect of ITI still using his old email address. This is disappointing to hear. ITI should ensure this doesn't happen again. But if it does then Mr K will have the option to raise any concerns as a new complaint.

I also note his comments about receiving the information he requires for his tax returns. ITI should provide this to him in the format that he has requested to allow him to complete his financial affairs. Again, if ITI fail to do this, Mr K may choose to raise this matter with ITI as a part of a new complaint.

To confirm, for the reasons described in my provisional decision, I find ITI has caused delays in the handling of the administration of Mr K's trading account, and he has suffered distress and inconvenience as a result. I've set out below the compensation it needs to pay him to recognise the impact.

Putting things right

I've found ITI Capital Limited at fault, so ITI Capital Limited should put things right. To put things right and compensate Mr K, ITI Capital Limited should pay him £750 for the distress and inconvenience it caused.

It should also send Mr K the account statements he has requested in the large font size he has explained that he requires.

My final decision

I uphold Mr K's complaint and direct ITI Capital Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 November 2023.

Daniel Little
Ombudsman