

## **The complaint**

Ms L has complained about Citibank UK Limited. She said Citibank caused excessive delays when she instructed it to transfer all investments she held with it, to an investment management company. She said the transfer of all the holdings took more than six months to complete in total. She said the value of her investments fell by a significant amount, and Citibank through its actions in causing the delays are responsible for this.

Ms L said she would like to be compensated for investment losses and for the distress and inconvenience she said Citibank has caused.

Other parties involved in this complaint are a company that manages Ms L's combined investments. They gave Ms L advice to transfer her investments to them. I have referred to them throughout my final decision as the 'investment management company'.

Also involved is a custodian company that the investment management company use to hold all its client's investments. This is the company that Citibank needed to transfer Ms L's investments to. I have referred to the custodian company throughout my decision as 'the third party'.

To be clear though, Ms L has complained about Citibank and its actions. It is Citibank and its role in the transfer, that I have looked into.

## **What happened**

Ms L held a portfolio of investments with Citibank. She said she informed Citibank on 27 February 2022 that she wanted to transfer all of them to her financial advisors. She said if Citibank had responded in good time, she would have requested the transfer of all her holdings on 28 February 2022, but in any case, she posted a transfer form to her financial advisors on 3 March 2022.

Ms L said she was expecting Citibank to carry out the transfer in quick time from this point, but the transfer took place sporadically over more than six months. Ms L said the last investment was transferred over to her financial advisors on 15<sup>th</sup> September 2022.

Ms L said she wanted to make the transfer of her stocks because she had decided that the investment management company could carry out discretionary management of the investments, but she said it was her intention to sell all of them. She said the investment management company wanted to assess the investments, but this was in regard to when they should sell them and not whether they should.

Ms L said she needed to raise funds between the investments held by Citibank, that she was looking to transfer over, and a portfolio she held that was already being managed by the investment management company. She needed to raise funds by the end of June 2022, to pay for a property.

Ms L said the value in her portfolio had dropped in value by around £30,000 by the time each holding had been transferred over. Ms L said she considered these to be her

investment losses that she said Citibank should pay for as it had caused a delay. She complained to Citibank about this.

Citibank said in response that it was upholding Ms L's complaint and said it was responsible for some delays in the transferring of Ms L's account to her financial advisors. It said the service it provided to Ms L fell short of its own expectations. It said it sincerely apologised for this.

Citibank said a transfer of stock can take up to six weeks and sometimes longer depending on other parties. It said the transfer was instead completed on 15 July 2022, 13 weeks later. It said this was in large part due to the actions of the third party, the investment management company were using to hold the stock. It said that it acknowledged there were parts of the transfer process where it could have done better. It said it wouldn't pay for Ms L's investment losses as she incurred these due to falls of her investment within the market. It said Ms L was free to sell her investments at any time.

I issued a provisional decision on this complaint in December 2023. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

*"I am provisionally upholding Ms L's complaint. I will explain why, and I will also explain how I currently think Citibank can put things right.*

*Citibank has said it was responsible for some delays to Ms L's transfers, but it hasn't said explicitly what these were. There is also a dispute about when the transfer should have happened, and when Ms L's investments eventually were transferred. So, I have looked into this.*

***Did Citibank cause any delay with the transfer of Ms L's investments to her financial advisors before 7 April 2022?***

*Ms L said she initially sent an email to Citibank about a transfer on 27 February 2022. I can see that she did this and what she said. I can see that she followed this up with another email on 4 March 2022. She then sent another email on the same day to a different member of staff of Citibank.*

*It seems to me that Ms L wanted to clarify with Citibank what the status of her account would be with it, whether she would incur a fee and whether she would still receive free travel insurance. I can see that she wanted to get information from Citibank before she committed completely to sending the transfer request form in. That said, I can also see that Ms L did send in a transfer request to her financial advisors on 3 March 2022 and have read an email where they have confirmed they received it.*

*I have read a timeline that has been put together from the third party (the custodian the financial advisors use to hold investments for them), showing what it thinks happened from the point where it received the signed instruction on 7 March 2022 and when it received acknowledgement from Citibank that it had received the instruction on 7 April 2022.*

*The third party said it contacted Citibank on a few occasions and chased it. It said it resent the form and followed this up by chasing Citibank again. Citibank on the other hand said it didn't receive the signed transfer form until 7 April 2022 and doesn't know what happened before this date. It said it has no record of a transfer request form being received prior to 7 April 2022.*

*I can see Ms L sent the transfer request form to her financial advisors on 3 March 2022, and it would have sent this form on to the third party. I can also see that the third party said it sent the form to Citibank on 10 March 2022. But then I haven't been able to see any further information from any of the parties about what happened from 10 March 2022 to 7 April 2022 other than a few comments from the third party, who said it sent the form and chased it up. I haven't seen any emails in this time between the parties and none from Citibank where it has acknowledged receipt of the form. The first time it did this was on 7 April 2022.*

*So, in the absence of any further information about this period, I don't think I can safely conclude that Citibank did receive the signed transfer form from the third party before 7 April 2022, when it said it received it. With this being the case, on balance I am currently minded to work on the basis that Citibank received the transfer form on 7 April 2022.*

**When should Citibank have transferred Ms L's investments to the third party? And was it responsible for a delay?**

*I have read an email from Citibank to Ms L about the transfer on 7 April 2022. I currently think it is clear at this point that it had her signed instruction. That said it wasn't until a week later that Ms L received an email from Citibank where it stated it would carry out the transfer. Within this email, a representative from Citibank said "As per our terms and conditions, this type of transaction may take up to four weeks to complete, however it could be sooner. Please confirm we can go ahead with the transfer." I have read another email sent that day, this time by Ms L in response. She confirmed to Citibank that it could proceed.*

*After reading the email exchange between Citibank and Ms L on the 14 April 2022, I think it would be reasonable for Ms L to think at the latest the transfer would be completed within four weeks. Citibank had stated here that this would be the time frame it was working to at the latest, and a timeframe that it said is as per its terms and conditions. So, I think it would have been reasonable at this stage for Ms L to think the transfer would be carried out by the latest 12 May 2022.*

*Citibank has said on a few occasions that transfers can take six weeks or longer. I acknowledge what it has said about transfers and what it would usually do and the time frame that it would normally work towards. But it didn't say this to Ms L at the time it was asking for her approval to carry out the transfer. It had told her that at the latest it would take up to four weeks. And this was the time frame that Ms L would have needed to consider when she gave it her permission to carry out the transfer. So, I think it is fair and reasonable for Ms L to rely on what Citibank had told her here.*

*I can see that although Ms L would have been frustrated with how long the proposed transfer had taken to get to this stage, that Citibank had told her, at the latest, the transfer would be complete by 12 May 2022. Ms L and the third party would be able to carry out their plans and the third party would be able to review all investments before Ms L needed the funds to complete her house purchase, if Citibank were able with the third party to complete the transfer, as it said it was going to do within four weeks. So based on what I have read and what has been said by Citibank, I currently think it should have carried out the transfer of her investments by 12 May 2022.*

*Citibank has said the transfer was completed on 15 July 2022 and that it caused some delays. It also said delays were in large party due to the third party.*

*I can see that the last holding was transferred over from Citibank to the third party on 15 September 2022 and not 15 July 2022. I appreciate that when Citibank said the transfer had been completed on 15 July 2022, it still had investments to transfer from Ms L's account. But*

*I think, it would have been clearer if it had communicated this to Ms L when it was responding to her complaint.*

*Citibank said it was responsible for some delays, but it hasn't said what these are. It also said the service it provided fell short of its own expectations, but again it hasn't explicitly said what this is either. It has instead pointed to the third party and what it has called unusual informal requests and has cited significant delays from the third party as well. I have read a short chronology that it put together about its role in the transfer and what it considered were the issues with the delays.*

*I have also read a chronology from the third party about what it said happened when it tried to carry out the transfers. The third party said it tried to obtain information from Citibank to carry out the transfer of each of the holdings but couldn't obtain what it needed. It said this resulted in holdings being transferred sporadically over a longer period.*

*I can't be sure what happened here between Citibank and the third party, and both have pointed to the others role in contributing to the delays. But I can see between them delays were caused with Ms L's transfer instruction.*

*Citibank has by its own admissions contributed to the delays that occurred. The third party said it needed to chase Citibank for information, and again by its own admissions Citibank said it should have communicated better to all parties involved. On balance, I think if Citibank had communicated better and provided correct information when requested and been more efficient when it needed to carry out its part, Ms L's transfer would have happened within the time frame that it had told her it would happen.*

*I am currently persuaded based on what I have just concluded that Citibank therefore is responsible for delays with Ms L's transfer. It said it would carry out the transfer by 12 May 2022 at the latest. Instead, the last holding was transferred on 15 September 2022. I think on balance, delays were caused by Citibank. So, as I have made this finding, it follows that I think Citibank should put things right. I have gone on to consider how Citibank should do this.*

***Did Citibank cause Ms L any investment losses, because of the mistakes it made?***

*Ms L has calculated her losses at around £30,000. Ms L has done this by working out what the value of her investments were at the point that they were eventually transferred and then subtracting that by what the investments were worth when she expected them to have been transferred.*

*Ms L said the way she has carried out her calculation is a fair way to quantify loss. She said it seems to her to be fair to compare the values of all the funds at eventual transfer against the values, had the transfers been carried out competently and in accordance with Citibank's assurances.*

*I have seen a spreadsheet provided by Ms L where she has calculated what she feels are her losses. I can see where she thinks she would have sold the investments and how much she feels she would have lost. I think there is an issue with Ms L's calculations though.*

*I can see the date Ms L has used on her spreadsheet is 1 March 2022. This doesn't to me seem a reasonable date to use, based on the findings I have already made about the transfer and what was promised by Citibank. As I have already concluded I think it would have been reasonable for Ms L to expect Citibank to have carried out the transfer, as it said it would, by the latest 12 May 2022. So, I don't think the losses calculated by Ms L are fair and reasonable based on the dates she has used.*

*There is a bigger issue though, when I consider what, if any, investment losses Ms L made because of Citibank's mistakes. Ms L's calculation is based on the principle that her financial advisors would have sold the investments as and when they were transferred over to them. I can't safely conclude that this would have been the case.*

*The transfer of Ms L's investments was carried out by the parties 'in specie'. This means that the investments were not sold, and Ms L's investments were transferred over. So, Ms L would only have potentially made a loss caused by Citibank, if it was her clear intentions to sell the investments and I don't think this was the case here.*

*I say this because I have read a series of emails between Ms L and her financial advisors. I think these emails give me some idea as to Ms L's intentions at the time and, but for the delays Citibank caused, what she would have done with her investments if they had been transferred within a reasonable time.*

*The financial advisors said to Ms L on 19 May 2022 "Just to clarify on the transfer, we are not asking Citi to sell your funds but simply transfer them across to our custody. The reason we elected to do this is so that we would have greater control over when to sell these investments." And the same representative said a day later "When it comes to raising funds, I will think carefully about where best to raise funds from and it may be that we take more from the non-equity part of the portfolio, given the recent falls we have seen."*

*I have read other emails between the parties where it is discussed that the purpose of the transfer in the first place was for all of Ms L's investments from both of her portfolios to be looked at and considered. The financial advisors could then decide what to sell and what to keep from all of Ms L's investments, not just the ones being transferred over from Citibank. The financial advisors would then be able to consider issues such as capital gains tax liability as was their intention all along.*

*So, when I consider what I have read, I don't think it would be fair and reasonable for me to conclude that Ms L would have sold all the Citibank investments when she said she would have sold them. I also haven't seen any evidence from Ms L or her financial advisors about what it would have sold and what it would have kept, but for the delays caused by Citibank. There are no emails or call recordings from that time where this was discussed that I have seen.*

*The financial advisors sold several investments from another portfolio to meet the amount Ms L needed for her property purchase by 7 June 2022. I haven't seen enough evidence provided to safely conclude that they wouldn't have done this anyway. And if they had done anything differently, I don't think I can safely say on balance, what this would have been. So, because of this, I don't currently think it would be fair or reasonable to ask Citibank to do anything further here.*

*I have concluded Citibank did cause delays here though. I think these delays caused Ms L distress and inconvenience, so I have gone on to consider this further.*

***Did Citibank cause Ms L any distress and inconvenience because of the mistakes it made?***

*Citibank has said it caused some delays and has apologised for this. It said the service it provided was not up to its own standards. But it didn't recognise the amount of distress and inconvenience it had caused by awarding any compensation. Our investigator asked it to award £150 and it then agreed to do so.*

*I have looked at the amount of stress and frustration the delays caused by Citibank would have had on Ms L. She had to continuously chase up and seek to find answers from Citibank over the transfers of her investments, and on several occasions didn't receive a response. She has catalogued the time she spent in dealing with the transfer and I can see how much time she has had to put in to make it happen.*

*Having read the many emails between Ms L and the parties, I can see that the delays caused by Citibank would have put her under considerable stress. So, I don't think £150 is enough compensation for Citibank to pay.*

*I currently think £500 is a fairer amount and reflective of what Citibank has caused Ms L to suffer, to chase and try and get her transfer through. It is also similar to what I have awarded for complaints like Ms L's one."*

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Citibank responded on 4 January 2023. It said it agreed to pay £500 compensation to Ms L.

Ms L contacted our service initially to ask if she could listen to phone calls that took place on 14 April 2022 between her and Citibank, which our service duly provided. There was then a delay of a few weeks where our service has been looking to obtain a further phone call that Ms L said she wanted to listen to. She said that the additional recording was relevant to her complaint.

Citibank has recently come back and said it doesn't now have this call recording. So, as this is the case, and our service has exhausted enquiries here, I am happy to proceed with the information that we do have and that has been submitted by the parties.

Ms L responded to my provisional decision after she reviewed the call recordings and provided a comprehensive response. Here is a summary of the points that I think are central to her complaint:

- Ms L said it had always been her intention to sell her Citibank investments and although she had discussed with her financial advisers the option of considering funds worth keeping, her intention to sell hadn't radically changed.
- The timescale for selling remained urgent. She said although it was no longer her intention to sell *all* the funds immediately, it does not follow that she had not suffered *any* loss.
- Ms L said it was her intention all along to fix the amount of cash needed and sell the necessary amount from her investments as soon as possible to remove the investment risk involved.
- To recalculate the investment losses she has made, she said, can be modified based on using another date, rather than 1<sup>st</sup> March. She said an alternative recalculation of her investment losses should be worked out on the basis that she went ahead with the transfer on 14<sup>th</sup> April.
- She said regarding an email that I specified in my provisional decision, about her intention to sell that it was her intention to sell the Citibank investments.

She said her investment management company were referring to “when to sell” and not “whether to sell” them.

- It was her intention to raise funds from the sale of Citibank investments but in the event the money was raised from another portfolio in time for completion. This was a change of plan forced by Citibank’s failure to transfer the investments in time.
- By the time investments were transferred it was too late to use them towards completion of the house and market conditions had changed. Nonetheless, transaction statements show that three quarters of Citibank’s funds were sold presumably for investment reasons.
- She asked to be refunded the custody fees Citibank continued to charge her after she said she no longer wanted the investments to be held by Citibank. She listed what she felt these were.

### **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.

Ms L has provided a comprehensive response to my provisional decision. It is clear to me, that Ms L feels strongly that she is owed investment and other losses and has put forward several points to support her argument here. I have read her submission carefully.

I think it is worth highlighting the purpose of our service and my role at this point. The service we provide is meant to be informal and efficient as well as impartial. My remit is focussed on determining whether I feel a fair, or unfair outcome has occurred - from an impartial perspective – after taking all the factors and circumstances of a complaint into consideration.

With what I have just said in mind, in deciding Ms L’s complaint I’ve focussed on what I consider to be the heart of the matter, rather than commenting on every issue raised in turn. My approach reflects the informal nature of our service that I have just described.

To recap first of all: Ms L put in a transfer request to transfer her portfolio with Citibank to an investment management company. I concluded within my provisional decision that Citibank ought to have completed the transfer by 12 May 2022. I have not been persuaded by anything that has been said by either party to change my mind about what I have concluded here. Instead, Citibank transferred the last investment over on 15 September 2022, so there was a delay of around four months.

I went on to conclude that Citibank were responsible for this delay for the reasons I gave in my provisional decision, again I see no reason to deviate from my decision here.

What is left for me to consider is the question of investment losses and whether I think on balance, Ms L incurred any and also whether she incurred any other losses. Specifically, I have looked into whether Ms L should be refunded custody fees for the time period that the transfer of investments should have taken place.

### **Investment losses**

Ms L has made several points in response to the findings in my provisional decision about her intentions and what it was she was trying to do: this being sell her Citibank investments. She has made it clear that it was her intention that she wanted to sell her Citibank investments and that even though she arranged a transfer over to her investment management company of these “in specie”, that it was a matter of *when* the investments were going to be sold rather than whether they were going to sell them.

Ms L has cited emails between herself and the investment management company along with what she said to Citibank within call recordings that she felt demonstrated her intention to sell the investments she held with it. I do acknowledge what she is saying here: she has made her point clearly that she wanted the Citibank held investments sold.

That said, I also can see that the purpose of the transfer in the first place, was that the investment management company would assess the investments and decide which investments to sell and which to keep. The transfer was to take place ‘in specie’ for this purpose, rather than all Citibank investments be sold and the cash transferred. Again, I acknowledge Ms L’s point that it was a matter of when the investments were to be sold and not whether – but I need to consider whether the investments would have been sold sooner, but for the delay caused by Citibank. And I haven’t seen enough evidence, that I can safely say all investments or even which of the investments would have been sold, but for the delay.

I do accept that Ms L’s intention was to sell her Citibank investments and she has provided examples to illustrate this. I also accept that but for Citibank’s errors and the delay it caused, that the investment management company would have more likely than not sold Citibank investments sooner. But I don’t think it is possible for me to conclude with any certainty exactly *how* it would’ve been different i.e., which investments. I haven’t seen enough evidence, through contemporary emails at the time between the parties, call recordings or notes about what would have been sold and what would have been kept. And so, I have no way of knowing what would have happened, and whether Ms L would have made investment losses but for the delay caused by Citibank.

I have not seen enough evidence that I can safely conclude that Ms L made investment losses here or what these would have been, and so it follows that I don’t uphold her complaint about this.

### **Custody fees**

Ms L said she asked Citibank to refund her the custody fees it charged, from the date she asked for the transfer to take place to the date all the investments had been transferred and she was able to close the account.

I have looked into this and agree that it would be fair of Citibank to refund Ms L custody fees here. After all, Ms L wouldn’t be paying these fees but for the delay I have concluded Citibank caused.

Our service recently contacted Citibank and asked it if it would be prepared to repay custody fees it charged Ms L from April 2022 to September 2022 and it said it would. It has provided our service with a breakdown of the fees it charged per month and what it would be prepared to repay to Ms L. I can see that this is similar to the amount Ms L has calculated. It would be helpful if Citibank could provide a breakdown of the custody fees it



charged during the period I've given above, to Ms L so she can see how the refund has been calculated.

Ms L has been denied the use of the money she has given Ms L for the custody fees during this period, so I think it is fair that Citibank should pay interest on the amount it repays to Ms L.

### **Putting things right**

To put things right in all the circumstances of Ms L's complaint, Citibank should look to do the following:

- Refund all custody fees Ms L incurred from April 2022 to September 2022. Citibank should give Ms L a breakdown of what these fees were per month during the time given and pay the total amount to her.
- Citibank should pay simple interest at 8% a year, from the date each custody fee was paid by Ms L until the date it has been refunded.+
- Pay Ms L £500 for the distress and inconvenience caused for the reasons I have already given.

+ If Citibank considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms L how much it's taken off. It should also give Ms L a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue and Customs if appropriate.

### **My final decision**

My final decision is that I uphold Ms L's complaint. Citibank UK Limited needs to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 10 May 2024.

Mark Richardson  
**Ombudsman**