

The complaint

Mr G complains Halifax Share Dealing Limited (HSDL) misplaced £50,000 he'd raised through selling shares held on its platform.

What happened

Mr G held a portfolio of shares with HSDL. He ordered the sale of £50,000 worth of these shares and was given confirmation his order had been accepted. Mr G recalls seeing the proceeds credited to his HSDL account balance.

Some time later, Mr G logged back in to HSDL's platform to discover the money was missing. He contacted our service to complain, and we forwarded the details of his complaint across to HSDL to enable it to investigate and provide Mr G with its final response.

HSDL responded to say it'd tried reaching out to Mr G but had been unable to speak to him. Based on the information available, it hadn't been able to locate the £50,000 Mr G said should be in his account.

Mr G wasn't happy with HSDL's response so he referred the matter back to our service. When he did so, he included screenshots showing the shareholding he believed he'd sold, and the proceeds from that sale seemingly crediting his account.

An investigator shared this information with HSDL and asked for its comments. HSDL failed to provide any comments despite a number of follow up requests being sent. So, nearly twelve weeks later, the investigator gave the opinion they weren't minded to uphold Mr G's complaint. They'd reviewed a list of transactions HSDL had initially provided in evidence and concluded that, whilst Mr G may have placed a particular trade, there was no evidence it'd executed successfully. As a result, they concluded Mr G was no worse off.

Mr G didn't accept our investigator's opinion. He provided further screenshots of the order he placed which confirmed it was accepted. He reiterated his position that he didn't understand what'd happened, or why the £50,000 he'd raised had disappeared. Our investigator sent HSDL Mr G's further comments and the new evidence he'd provided. HSDL was asked for its thoughts on the new information.

HSDL replied briefly to say that the order in question wasn't able to be executed at the time it was placed by Mr G. An order acceptance wasn't any guarantee that it would ultimately be actionable. And it suggested that, as it considered Mr G to be an experienced trader, he should know this.

A second investigator followed up with HSDL. They asked questions relating specifically to why the transaction in question had failed, such that it could be understood why Mr G had been given the appearance he'd raised £50,000, only for it to suddenly disappear. HSDL did not reply to our investigator for more than four months. When it did so, it failed to provide an explanation as to why the order in question was not accepted.

Without a proper response to their questions, the second investigator gave the opinion Mr G's complaint should be upheld. They speculated as to the reasons why the order wasn't executed, and noted they were having to do so as HSDL had decided not to answer their questions. The investigator was persuaded that, due to the order's particular characteristics, HSDL likely had legitimate reasons for not executing it. With that being said, the investigator was critical of the manner in which Mr G's enquiry about the transaction had been handled. They felt this had unnecessarily prolonged matters for Mr G and awarded him £200 in compensation for his distress and inconvenience.

HSDL disagreed with our second investigator's opinion. It said:

"We reject your view in the strongest possible terms.

My firm should not be penalised for its struggle in attempting to make sense of a claim made on entirely baseless grounds which ultimately had no validity. The terms that apply to trading through our service are made clear in the customer agreement.

Please escalate the matter to an Ombudsman".

Mr G did not reply to our investigator's opinion.

The matter has been passed to me for a 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.

Having done so, I've come to the same conclusions as our investigator, for largely the same reasons.

I've studied what little information has been provided for us about the transaction Mr G executed. And I'm persuaded that, because of the order's particular characteristics, HSDL likely had legitimate reasons for being unable to execute it. I've reviewed the firm's terms and conditions, and I can see that whilst it may accept an order from its customer, that is not a guarantee it will be able to execute it. So I don't require HSDL to compensate Mr G as if his order had been fulfilled.

Mr G's assets were, in reality, never sold. During our investigation, it came to light that the particular security Mr G had tried selling underwent a change of name after his order had been placed. It seems likely to me that this has further hampered Mr G's efforts to understand what'd happened. But overall, I'm not persuaded that Mr G is any worse off financially as a result of any unfair treatment on HSDL's part.

With that being said, I've considered HSDL's obligations as a regulated firm. PRIN 2.1.1 requires HSDL to pay due regard to Mr G's interests and to treat him fairly. It's also required to pay due regard to his information needs, and to communicate with him in a way that's clear, fair and not misleading.

On the face of it, Mr G placed an order with the expectation that he'd raise £50,000. He's provided evidence that, in appearance at least, this amount was credited to his account balance. He was subsequently shocked to find the amount had disappeared. There's no evidence HSDL provided Mr G with any feedback on why this had happened, or that the order had even failed at all. In my opinion, it's evident from his complaint that this lack of information and feedback has left Mr G upset and worried.

HSDL's opinion of this seems to be that Mr G was an experienced investor and he should've known what'd happened. But beyond statements showing his account history, it's provided no persuasive evidence of why it considers Mr G to be experienced enough to deduce why this his order would fail, or that the sudden disappearance of £50,000 was not cause for alarm. Particularly when, to date, HSDL has repeatedly declined to give anything approaching a satisfactory explanation of why any of this happened the way it did.

HSDL could have mitigated the upset and worry Mr G experienced by fulfilling its obligations to him under PRIN 2.1.1, i.e. meeting his information needs and treating him fairly. It's my opinion that HSDL ought reasonably to have delivered on these obligations long before now. By continually failing to do so, it's left Mr G without answers to what could well have been a relatively straightforward question, for a significant period of time. To address the impact of this, it's my opinion that it's fair and reasonable to require HSDL to pay Mr G the sum of £200 for the upset this matter has caused him.

My final decision

My final decision is that I uphold Mr G's complaint about Halifax Share Dealing Limited. I require Halifax Share Dealing Limited to pay Mr G £200 to settle his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 July 2024.

Marcus Moore
Ombudsman