

The complaint

Ms W complains Halifax Share Dealing Limited delayed transferring funds from her ISA across to a new provider.

What happened

Ms W had an ISA with HSDL. She approached a new ISA provider to begin the process of encashing her investments with HSDL and transferring the proceeds across to the new provider.

HSDL received instructions from the new provider to sell Ms W's holdings on 17 September 2023. It disposed of her assets the next day, with a view to transferring the proceeds across.

But on 19 September 2023, rather than sending the full amount, an administrative error meant HSDL sent £0.01 across instead. HSDL eventually sent the rest of the funds on 30 November 2023 when the new provider chased it for a response.

Ms W complained about the delay. She said not knowing what'd happened to her money had been upsetting, and that she believed she'd lost interest as a result of the transfer not completing on time.

HSDL upheld Ms W's complaint. It apologised for the delay it caused and offered to pay 8% simple interest on the balance it'd failed to transfer across to Ms W's new provider. It also offered £50 to apologise for the trouble and upset it'd caused. Ms W was unhappy with HSDL's response so she referred her complaint to our service.

Our investigator upheld Ms W's complaint. Across a number of emails with the firm, the investigator articulated the opinion that:

- There didn't appear to be a dispute that HSDL had unfairly delayed the transfer.
- There was evidence that showed Ms W had placed an order to buy a specific fund as soon as her money had been transferred across by HSDL.
- Whilst Ms W had complained about lost interest, in reality her loss should fairly be measured as the difference in her chosen fund's unit price, between the day she would've been able to purchase it without HSDL's delays, and the day she actually purchased it.
- HSDL should pay this loss, not the 8% simple interest it'd offered Ms W.
- HSDL should also pay Ms W £150 overall for the trouble and upset it'd caused.

HSDL didn't accept our investigator's opinion. It didn't feel the increase in compensation for trouble and upset was justified. And it felt aggrieved that, having offered to compensate Ms W with a payment to cover the interest alluded to in her complaint, our service had chosen to compensate her by other means. As the firm didn't accept our investigator's findings, the matter's been referred to me for a decision.

I provisionally decided to uphold Ms W's complaint. This is what I said:

“HSDL doesn’t dispute that it unfairly delayed the transfer of Ms W’s funds across to her new ISA provider. So what I need to decide here is what should fairly and reasonably be done to put matters right.

My broad aim when redressing a complaint would be to return the complainant to the position they should fairly be in, but for a mistake made by the respondent. And here, I think that should be interpreted as putting Ms W in the position she would’ve been in, if all of her money had been sent across to the new provider on 19 September 2023, the day the initial payment of £0.01 was sent.

Ms W has provided evidence of an order she’d placed with her new ISA provider to purchase units in a specific fund once her cash from HSDL had arrived. This is ultimately what happened. HSDL sent the remainder of Ms W’s funds to the new provider on 30 November 2023. Ms W’s order to purchase units in the fund was then executed on 5 December 2023, the third working day after the payment was sent.

I note from Ms W’s submissions that since she originally placed that order, the price of the units in her chosen fund had risen. Meaning that by the time her funds arrived from HSDL, she ended up purchasing fewer units in the fund than she would’ve been able to, if her money had arrived on time.

Her loss therefore isn’t a fixed sum of money that can simply be paid to her. Rather, it’s an amount of units in her chosen fund that she should possess, but does not possess. And the monetary value of those units will fluctuate daily. In my opinion, Ms W’s loss is most accurately quantified as this difference in unit holdings. And as I see it, it’s this loss HSDL needs to address to fairly and reasonably put things right here.

From the evidence available, it seems HSDL was in a position to send all of Ms W’s money across to the new provider on 19 September 2023, the date it sent £0.01 by mistake. And had all of her money been sent that day, it’s likely that three working days later on 22 September 2023, her new provider would’ve executed the same instruction, but would’ve been able to purchase more units as a result. So to put things right, I intend to direct HSDL to take the following action:

- 1. Calculate the number of units Ms W would have been able to purchase with the amount that came from her ISA, if the trade was executed on 22 September 2023.*
- 2. Subtract from this the number of units Ms W purchased on 5 December 2023 when her money actually arrived with the new provider, yielding a figure I’ll refer to as “X”.*
- 3. X is the number of additional units Ms W should possess, but for the delay caused by HSDL. HSDL must liaise with Ms W’s new ISA provider and pay any cost necessary to ensure she’s given X units of the fund in question.*

In addition to this, I’m satisfied HSDL’s offer of £50 doesn’t go far enough to address the trouble and upset Ms W was caused by its mistake. In making her complaint she’s described the upset and confusion of not knowing where her money was, when she’d expected it to be transferred across to her new provider. And I can see she had to take time to follow the matter up with both HSDL and her new provider to get the matter resolved. As I see it, all of this was avoidable had HSDL transferred her money correctly at the first time of asking. As a result of this, I’m satisfied it’s fair and reasonable in the circumstances to award Ms W £150 for the trouble and upset she’s been caused by HSDL’s error.

HSDL has seemed to argue that, in its opinion, Ms W’s complaint was poorly articulated, so it hasn’t had a fair opportunity to address her concerns prior to the matter being referred to our service. It’s also challenged that, in its opinion, the complaint Ms W has put to our service isn’t “eligible”. I disagree.

It seems to me that if HSDL had followed up with Ms W and clarified the origin of the “interest” she was claiming as a loss, the firm ought reasonably to have ended up at the conclusion I’ve set out above.

In addition to this, I’m satisfied there’s nothing about Ms W’s complaint that would make it “ineligible” to be heard by our service. The complaint our service has investigated is fundamentally the same complaint that was put to HSDL initially by Ms W. And whatever a complainant may consider their loss to be at the outset of a complaint, my remit, which is inquisitorial, allows me to investigate and decide the outcome of Ms W’s complaint based on whatever feels fair and reasonable to me. And that is what I intend to do when my decision on Ms W’s complaint is made final”.

Ms W accepted my decision. HSDL did not.

Amongst other comments, the firm continued its protest that Ms W’s complaint was poorly articulated, and that as a result, she hadn’t given it a fair opportunity to resolve her complaint prior to approaching our service. It felt my suggestion it could’ve carried out a more diligent investigation of her complaint was unreasonable, as it considered Ms W had told the firm not to contact her.

I’ve reconsidered my findings in light of these comments.

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.

HSDL’s comments have not persuaded me to depart from my provisional findings.

I’ve already addressed HSDL’s misgivings with the way Ms W’s complaint was expressed to it. However a complaint is put to our service, as an informal alternative to the courts, we have the discretion to mount an independent and impartial investigation of the matter. And as an ombudsman, I’m empowered by DISP 3.6.1 R to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case.

There remains no dispute that HSDL delayed the transfer of Ms W’s ISA. And HSDL hasn’t sought to contest my finding that its delay caused the loss of units I identified in my provisional decision. So I don’t consider it to be that significant that Ms W initially identified her loss as “interest”. She was mistaken. I’m satisfied that to settle this complaint fairly and reasonably, HSDL must redress the loss I have identified, and not what Ms W initially claimed for.

So for the reasons given here and in my provisional decision, I direct that HSDL must now:

- Calculate the number of units Ms W would have been able to purchase with the entire balance that was transferred to the new provider, if the trade had been executed on 22 September 2023.
- Subtract from this the number of units Ms W purchased on 5 December 2023 when her money actually arrived with the new provider. This will yield a figure I’ll refer to as “X”.
- X is the number of additional units Ms W should possess, but for the delay caused by HSDL. HSDL must liaise with Ms W’s new ISA provider and pay the cost necessary

to ensure she's given X units of the fund in question. To ensure Ms W is redressed promptly, I require that HSDL makes contact with the new provider to start this process within 14 days of this decision being accepted.

In addition to this, for the reasons given in my provisional decision, I remain satisfied that it's fair and reasonable to require HSDL to compensate Ms W with £150 for the distress and inconvenience it's caused her in the events of this complaint.

My final decision

My final decision is that I uphold Ms W's complaint against Halifax Share Dealing Limited. I require that the firm now pays redress to her as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 16 October 2024.

Marcus Moore
Ombudsman