

## **The complaint**

Mr A complains about Trading 212 UK Limited. He's unhappy with the level of service they've provided him with when one of his shareholdings was delisted.

## **What happened**

Mr A held stock in a firm which was listed on the NASDAQ exchange. The shares were held in his T212 ISA but in August 2023 the shares were delisted from the NASDAQ. He contacted T212 to make enquiries about the shares and was told that they were no longer eligible to held in an ISA.

He queried whether they could be moved to his general investment account (GIA) and was told that the position in his ISA would be sold, but he could repurchase the shares outside of his ISA if he desired. Mr A attempted to repurchase the shares, but his order was rejected and T212 subsequently informed him that the shares couldn't be purchased.

Mr A complained to T212 about what had happened. He explained that he was unhappy that the shares had been moved from his ISA and that he was then unable to repurchase them into his GIA. T212 looked into his concerns but didn't uphold his complaint. They said that they'd given him formal notice about their decision to not hold the shares in an ISA.

They also apologised for the subsequent issues with being unable to repurchase the shares but said that this was out of their control, and not something they were aware of when they'd said he could take this course of action.

Mr A didn't accept their findings and asked for our help with the matter as he thought that T212 had acted contrary to several of the FCA's Principles for Businesses and rules 6.2.1 and 6.2.2 of the FCA's Client Assets Sourcebook (CASS).

The complaint was considered by one of our investigators who didn't think it should be upheld. The investigator was of the opinion that T212 hadn't misled Mr A when they'd told him he could repurchase the shares as this was based on as their understanding at the time.

He didn't think they had breached CASS 6.2.1 and 6.2.2 as those rules were mainly related to protecting client assets in the event of a firm becoming insolvent. And he didn't think that T212 had treated Mr A unfairly by not allowing him to repurchase the shares as this was a decision made by their broker.

Mr A didn't accept the investigator's findings and made the following points, in summary:

- T212 were inconsistently applying regulations as he had a relative who still held the firm's shares within their T212 ISA.
- The investigator had said that T212 had provided information they believed to be correct. But this overlooked their responsibility to ensure the accuracy of their communications. They'd needed to take reasonable steps to verify information and had failed to do so.

- T212 had misinterpreted HMRC's ISA guidance. The guidance stated that there were two options for dealing with non-qualifying investments - selling them or transferring them to a non-ISA account. However, T212 hadn't made their clients aware of both options.

The investigator wasn't persuaded to change his opinion, so the complaint has been passed to me to decide.

### **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 don't think this complaint should be upheld and I will go on to explain why. I'd firstly like to say that I'm conscious that I've summarised this complaint and responses in less detail than the original submissions, but I mean no discourtesy by this.

What I've done is to focus on what I think are the key points at the heart of the complaint. I'm satisfied that I don't need to comment on every individual point or argument to reach what I think is the right outcome. Our rules allow me to do this, and it reflects the informal nature of our service as an alternative to the courts.

### **Were T212 within their rights to say the shares needed to be moved out of Mr A's ISA?**

I appreciate the points Mr A has made about T212 misinterpreting HMRC's guidance and telling their customers that the delisted shares needed to be sold, instead of also offering the option to transfer the shares outside of an ISA. HMRC's guidance is clear in that *either* option can be offered, and there is no requirement to offer both. So, T212 haven't breached any HMRC regulations by not offering the option to transfer the shares outside of the ISA.

I don't think that T212 misled their customers by not providing both options. They were within their rights to make a commercial decision about the options they wanted to present to their customers. From what I've seen, T212 gave Mr A notice on 16 August 2023 that the shares were being delisted and needed to be sold before 14:00 on 25 August. As they didn't need to provide the option to transfer the shares, then I don't think they've treated Mr A unfairly.

I note Mr A's point that his relative still holds the firm's shares in an ISA account. However, the evidence he's provided isn't conclusive as it doesn't show what type of account the shares are held in. In any event, even if that was the case, it would likely be an error on T212's part and doesn't mean they treated Mr A unfairly by following HMRC guidance and not allowing him to hold the unlisted shares in his ISA.

### **Were T212 at fault for the issues relating to the repurchase of the shares?**

I fully appreciate Mr A's disappointment at not being able to repurchase the shares once he'd sold them as it's clear that he wanted to keep his shareholding. I've therefore considered if T212 were at fault for telling him that he could repurchase the shares once they'd been sold.

The available evidence shows that the reason he wasn't able to repurchase the shares was because of T212's intermediary suspending buy orders on the firm's shares. At the time T212 told him that he could repurchase the shares within his GIA, they weren't aware that their intermediary was planning to suspend buy orders.

I appreciate they could have made enquiries with their intermediary about the future plans

for the shares, but I don't think that there was any requirement to do this. Therefore, I don't think they acted unfairly in not doing so. Even if they had told Mr A that the shares were unable to be repurchased, there was still a requirement for them to be sold. There was no facility for the shares to be moved to his GIA or to another broker, so he would've ended up in the same position that he did. Therefore, I'm satisfied that he hasn't lost out because T212 told him that the shares could have been repurchased.

In summary, I appreciate Mr A's disappointment with having to sell his shares and not being able to repurchase them. But I haven't seen anything to suggest that T212 have treated him unfairly as they were following HMRC's regulations relating to the eligibility of unlisted shares to be held in an ISA. I'm also satisfied that the subsequent suspension of buy orders by their intermediary was out of their control.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 April 2025.

Marc Purnell  
**Ombudsman**