

The complaint

Mr G complains that Killik & Co LLP took longer than they should have to change the dividend payments dates on two shareholdings held in his stockbroking account.

What happened

When company C paid a dividend in May 2024, it was allocated to Mr G's account four days later. Similarly, when company A paid a dividend and special dividend in July 2024, the dividend was allocated to Mr G's account 10 days later. Mr G complained to Killik about the delays in allocating the dividends and they said they would back date the payments. Mr G then complained to Killik that it took too long for the allocations to be back dated. Killik apologised for the frustration the delay and explained that they had allocated the dividends within the allowed timescales.

Mr G brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. During our investigation, our Investigator asked Killik if they would consider compensating Mr G for the time he spent chasing them for updates. Killik offered to add interest on a special dividend they identified had not been back dated and to pay Mr G £100 for the inconvenience they'd caused him. Our Investigator thought this was a fair and reasonable offer. Mr G asked that an Ombudsman decides the complaint and it has been passed to me to consider.

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.

I acknowledge Mr G's comments about the 10 days client money rule I will refer to in my decision. He believes the rule is outdated and that the Financial Conduct Authority (FCA) should reconsider this rule. I can't comment on the rules the FCA set, or ask them to change their rules, but if Mr G feels strongly about this issue, he can raise it with the FCA directly. My decision focusses on the complaint Mr G raised with Killik and will take into account the impact of their actions on him.

I understand Mr G will be disappointed, but for very much the same reasons as our Investigator, I've decided that Killik's offer to pay him £100 and £1.10 interest on the dividend amounts paid, is a fair and reasonable offer to resolve the complaint. I will now explain why.

The dividends in company C and company A were initially allocated to Mr G's account several days after they were paid. Killik carried out investigations to find out why this happened. Killik accepts the dividends were added to the account several days later, but says they were added within a reasonable timescale. They say that the process of paying dividends is covered by client money rules which, in exceptional circumstances, allows them up to ten working days to allocate dividends to an account.

It's important for me to clarify that it's not the role of the Financial Ombudsman Service to tell

a business what it must do regarding the payment of dividends – that is the role of Killik’s regulator the FCA. It is the regulator’s Client Asset Sourcebook (CASS) that explains what they expect of Killik when distributing dividends, and this is what I’ve taken into account in my decision. In CASS, the FCA say, in respect of when a firm receives client money – in this case a dividend – it should be able to account to all of its clients for sums held for them at all times. And, that money should, pursuant to Principle 10, be allocated to the relevant client promptly. This should be done no later than ten business days after the firm has received the money.

I acknowledge Mr G has been left frustrated by the initial delays in allocating the dividends to his account, but I’m satisfied Killik paid the dividends into his account within ten working days. In this regard I can’t say that Killik treated him unreasonably. Killik did back date the dividends, and at the same time recognised that a special dividend paid by company A hadn’t been back dated. In this regard, I think Killik’s offer to pay interest of £1.10 is a fair and reasonable resolution.

Killik accept Mr G had to chase them a number of times to find out what was happening to the back dated dividends, and that there had been some delay in this regard. Killik have offered to pay Mr G £100 in respect of the frustration this caused him. I’m satisfied this, along with the initial apology Mr G received, recognises he was required to make a reasonable effort to resolve matters.

My final decision

Killik & Co LLP have already made an offer to pay £100 and £1.10 in interest to settle the complaint and this offer is fair in all the circumstances.

So, my decision is that Killik & Co LLP should pay Mr G £101.10.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 8 July 2025.

Paul Lawton
Ombudsman