

The complaint

Mr C complains about the price shares in his stocks and share ISA with Equiniti Financial Services Limited were sold for, after he placed a limit order.

What happened

Mr C held shares in his account with Equiniti that he'd acquired through an employee share scheme. In March and April 2024 he spoke to Equiniti to discuss how he could sell those shares and Equiniti told him that he could place a limit order. On 7 May 2024 the share price was around £2.60, and Mr C placed a limit order online to sell the shares at what he thought was £2.75. However, the limit order was in pence, not pounds, so it was set at 2.75p. As the price of the shares was higher already, the trade got placed as a market order immediately and Mr C received £2.63 per share. Mr C discovered the sale had taken place a couple of days later, when he logged into cancel the limit order and called Equiniti when he couldn't.

Mr C complained, as he had over 11,000 shares, so the few pence difference per share meant he was out of pocket by at least £1,370, as the shares did later reach the price of £2.75. He says as the shares were doing well, he was planning on changing the limit order and would have sold at £3 per share, which meant his losses were around £4,000.

He said the limit order page on the website is confusing as it's in pence, and Equiniti's systems haven't been designed diligently, as they ought to have recognised that no one would have intended to place a 2.75p limit order on a share trading at over £2.60. He said that the online system ought to be as safe and clear as it would be if he'd spoken to a trader to place the order. Equiniti had told him that other customers had raised concerns over the information given and so they ought to have changed the process. Mr C also raised concerns about Equiniti's complaint handling, as he'd wanted to speak to the complaints team direct and hadn't been able to.

Equiniti didn't uphold the complaint, explaining that as an execution only broker they simply followed his instructions. However, they did pay Mr C £75 as a gesture of goodwill. Mr C remained unhappy and brought his complaint to our service, where it was considered by an investigator. The investigator didn't uphold the complaint, explaining that she felt the information given was clear and that Mr C hadn't been advised to take the steps he took, Equiniti merely gave him information. She explained that the way Equiniti had dealt with his case was in line with the rules they must follow.

Mr C disagreed, saying that Equiniti knew there was a problem with the limit order information, as he'd been told by one of the managers that they'd known it was flawed and failed to do anything about it. He said that when he called in March and April, he ought to have been told that the limit order could be placed over the phone, especially as an inexperienced investor. He asked for the complaint to be referred to an ombudsman, so it's 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.

I consider that the main question I must answer is did Equiniti give Mr C clear, fair and not-misleading information about placing the order. Having carefully considered this, I've reached the same conclusion as the investigator for largely the same reasons and will explain why.

I've started by considering the information Mr C was presented with when inputting the limit order online. Towards the top of the screen, the page displayed the current buy and sell prices of the shares and said this was in 'GBX', which meant the price was in pence. I appreciate that Mr C may not have understood the terminology of GBX as he didn't have much experience investing, and there wasn't a definition of this on the screen.

However, in my view the price itself would have indicated that it wasn't displayed in pounds – it was displayed as a three-figure sum, followed by a decimal place with six figures after it. For example, the price of £2.635528 per share that Mr C's shares were sold for, would have been shown as 263.552800. Mr C was aware the share price was around £2.60 so I consider this would have made him reasonably aware that the price wasn't shown in pounds. In addition, the box in which Mr C would have entered the price he wished to set, was next to the phrase "price in pence". Based on these all this information when read together, I'm satisfied that the on-screen information was sufficiently clear and fairly displayed.

Mr C has put forward suggestions for how the information could be displayed which he feels would make it clearer. I accept there's ways Equiniti could make it even clearer – but for clarity, I'm satisfied it was reasonable as it was, and I don't agree with Mr C's viewpoint that the information was so unclear that it required improvement. In particular, the prices displayed at the top of the screen in pence gives investors a helpful template of the format in which they need to input the price they wanted to set as the limit.

I've gone on to consider the information given to Mr C when he called in March and April 2024. The conversation in April regarding limit orders was very short, consisting of one question about whether it was possible for limit orders to be cancelled, and the call handler simply confirmed they could be. The call in March was more detailed – in this conversation, Mr C asked whether a sale of shares in his ISA was instant once he presses the 'sell' button on his account, or if there's a delay.

The call handler explained that he'll be given various options after pressing sell, including inputting how many shares to sell and would then get a live quote. If he accepts the quote, the shares would be sold and two days later he'd be able to withdraw the money. The call handler then explained the alternative, if Mr C didn't want to sell until the shares hit a certain price, was to place a limit order. He said that when the price reaches the level set the shares would be sold automatically so he doesn't have to keep an eye on it. He explained the sale wasn't guaranteed, as the trade gets put in a queue with other customers who have chosen the same price. Once the dealer gets to Mr C's order in the queue, if the share price is still at the chosen price (or better) the shares would be sold. The call handler went on to explain that the limit order can last as long as you set it for, and that you can amend or cancel it.

Having listened to these explanations, I'm satisfied the call handlers acted fairly. Mr C had asked a question about how to sell the shares, that specifically related to his online account. The answer given explained how he could do that in what I consider to be a clear and not-misleading way. So overall I'm satisfied the information given by phone and online about the order placing procedure, was clear, fair and not misleading.

I understand Mr C feels the system Equiniti has should recognise that the limit he'd placed was very different from the share price that day. However, share prices can be volatile, and

it's not uncommon that the price of a share can go from much less than £1 to far over that in the same day. So, I don't agree it's unreasonable that the system didn't assume an error was made when the inputted limit price was far away from the current share price.

Mr C has also said that when he raised his complaint, the manager he spoke to agreed and told him there was a known issue with the limit order process. I've listened to the call he's mentioned from 9 May 2024 with the manager. I can hear that the manager told Mr C that he could send the feedback to the relevant team for review and ask for changes to be made. But the manager doesn't say that he's aware of many concerns being raised about it.

Even if there had been previous feedback about the orders being placed in pence not pounds, I'm not convinced Equiniti should have changed the information that Mr C saw when placing his order. Equiniti do have an obligation to review the cause of an issue when they receive complaints, to ensure there isn't anything wrong – and if something misleading is identified from that review I'd expect them to make changes. However, if upon review the business finds the information to be clear, I wouldn't expect them to need to make changes. So, the existence of feedback having been given about something like this doesn't automatically mean that changes are made or required. As I've set out above, upon review of the information on screen when setting a limit order, I'm satisfied it was clear enough.

With regards to Mr C's concerns about the complaints team not being contactable directly, this isn't unusual. Mr C was able to log his complaint easily over the phone, and I'm not convinced he'd have had a different experience if he'd spoken to the complaints team direct. They would have needed to look into what had happened before giving him a full reply, which is what then happened.

I appreciate Mr C is very disappointed by the price he achieved for the shares and feels let down. It's an unfortunate situation, and I empathise with him. But I'm not persuaded that Equiniti has caused the problem, or otherwise treated him unfairly or unreasonably, so I'm not upholding Mr C's complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 January 2025.

Katie Haywood
Ombudsman