

The complaint

Mr C complains that Solium Capital UK Limited, trading as Shareworks by Morgan Stanley, took too long transferring his Save As You Earn (SAYE) shares into his personal dealing account.

What happened

Morgan Stanley is the administrator of a SAYE employee share scheme operated by Mr C's former employer, who I shall call Bank A. On 30 October 2024, Mr C sent Morgan Stanley an instruction to execute 17,137 options within his share save account. Mr C asked Morgan Stanley to deposit the shares directly into his dealing account with a firm that I shall call Broker D. The trade was processed and the shares were available for allocation to his dealing account on 1 November 2024.

On 4 November 2024, Morgan Stanley contacted Broker D to organise delivery of the shares, and a settlement date of 14 November 2024 was agreed upon. The same day, Mr C contacted Morgan Stanley for an update. After being told the transfer was in process and could take two to three weeks to complete, he decided to formally complain about the length of time the transfer was going to take.

The transfer completed on 14 November 2024 but between the execution and delivery of the Bank A stock, the share price increased. Mr C was planning to allocate the Bank A shares into his ISA but as a consequence of the increased share price, he explained that he was unable to transfer the number of securities into that investment that he was originally hoping for. Mr C explained that meant some of his Bank A shares would be sat outside his ISA and subject to less generous tax benefits.

After reviewing Mr C's complaint, Morgan Stanley concluded they were satisfied they'd done nothing wrong. They also said, in summary, that transfers can take up to four weeks as the two brokers must agree to match the details for the shares to settle successfully. And, as the transfer was completed within two weeks and their helpline operative had provided the correct information to him during their call, they were of the view that he'd been treated fairly.

Mr C was unhappy with Morgan Stanley's response, so he referred his complaint to this service. In summary, he said the time taken to settle his shares was in excess of standard settlement times that had been adopted within the financial markets. Mr C also felt that there had been a breach of the Best Execution Policy that UK firms must follow. He said that he'd found dealing with Morgan Stanley exceptionally challenging and they'd not been able to provide any explanation setting out the reasons for the time taken.

The complaint was then considered by one of our Investigators. She concluded that Morgan Stanley hadn't treated Mr C unfairly as from what she'd seen, a transfer period of two weeks wasn't untypical or unreasonable as these types of transfer can take up to four weeks.

Mr C, however, disagreed with our Investigator's findings. In summary, he said that the processing times of T+14 is not proportionate nor justifiable by any means in his experience as a financial markets professional.

Our Investigator was not persuaded to change her view as she didn't believe Mr C had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Mr C then asked the Investigator to pass the case to an Ombudsman 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 have summarised this complaint in less detail than Mr C has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr C and Morgan Stanley in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr C's complaint - I'll explain why below.

I should be clear that there are two businesses involved in this chain of events, Morgan Stanley and Broker D. For the purposes of this decision, I am only considering whether Morgan Stanley acted fairly and reasonably during the transfer of Mr C's Bank A shares.

The crux of this complaint is about the length of time it took for shares that belonged to Mr C to move from point A to point B. Mr C states that T+14 dates back to the time it used to "take horses to deliver messages" and has no real basis for today's markets – however, I don't agree.

Moving shares between providers isn't as straightforward nor as automated as Mr C might think. For example, even to move a simple cash ISA between providers can take up to 15 working days, and an investment ISA can take up to 30 calendar days. When in-specie transfers are involved (where underlying investments aren't sold but moved in their existing format to the new provider), it's not uncommon for the transfer to take anything from several weeks to a month, depending upon the securities involved. So, when I think about the length of time that Morgan Stanley took, I don't think two weeks is excessive when the process to move the shares isn't automated and involves manual processes.

Mr C states that because he gave his instructions to Morgan Stanley to purchase the shares that were available to him under Bank A's share save scheme and then move those shares to Broker D, that whole process should be covered under the FCA's Best Execution Policy – in short, he says that means those shares should be available to him in his Broker D account almost immediately but within no more than two days. But, it's not quite that simple.

From what I've seen, Morgan Stanley acted in a timely manner when Mr C asked them to execute his share options – they purchased those shares promptly when instructed to do so (30 October 2024). However, at the point at which they were then asked to move those shares to Broker D, it's considered a custodial or administrative activity, and not the execution of a trade – which in my opinion, is a very important distinction because it means that the regulator's Best Execution expectations don't apply from that point. However, the regulator still expects firms to act in the consumer's best interests and ensure any securities are moved in a timely manner – and, having looked at the timeline of events, I'm satisfied that Morgan Stanley have done that because Mr C's shares were available in his Broker D account within two weeks.

From what I've seen, Morgan Stanley never made any commitment to Mr C that they'd move his Bank A shares any sooner than they did, they clearly communicated the timeline to him when he telephoned their customer services team and they followed their internal service level standards. As I've not been able to conclude that Morgan Stanley have done anything wrong, it therefore follows that I'm not upholding Mr C's complaint.

My final decision

I'm not upholding Mr C's complaint about Solium Capital UK Limited, trading as Shareworks by Morgan Stanley, and as such I won't be instructing them to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 October 2025.

Simon Fox
Ombudsman