

The complaint

Miss T complains Crowdcube Capital Limited has unfairly sold shares she owned to pay for fees. She says she now has lost the value of all of the shares she held as a result.

What happened

Miss T made inquiries with Crowdcube about selling her shares but was informed that as account fees had been collected monthly through the sale of stock, they no longer had any value. Following this Miss T raised a complaint.

Crowdcube responded to the complaint – it didn't uphold it. In summary it said:

- A minimum fee of £10 per year is charged for a GIA. If there is cash in the account the fee will be taken from this, but if there isn't the fee will be covered by selling a small portion of the shares held each month to generate cash.
- When the shares were transferred to the GIA in 2022, Miss T had the option to sell or transfer the shares and was informed of the applicable fees should they remain in the account. It acted in line with the terms and conditions of the account. The fees have been deducted monthly, and this explains how the share balance has gradually reduced over time.
- The value of the shares fluctuated over time and eventually declined. This explains why the initial deposit devalued significantly since 2019.

Miss T didn't accept this response and referred her complaint to this service for an independent review. She said Crowdcube don't have the right to elect how to take the fees without the clients instructions, and it was illegal to deal with her stock without her permission.

One of our investigators looked into the complaint but didn't uphold it. In summary they said:

- While Miss T says she instructed her broker to contact Crowdcube to transfer the shares in 2021, the evidence available doesn't indicate Crowdcube ever received actionable instructions and therefore continued to administer the shares in line with its account terms.
- Crowdcube's terms set out the amount of the administration fee and that it would be deducted from the sale of shares if no cash was held in the account. Crowdcube has acted fairly in line with the terms when collecting the fees.
- It's not accurate to say that the firm charged Miss T £1,500 annually for holding stock. The shares simply decreased in value, and the firm continued to deduct its fees in line with its terms.

Miss T didn't accept the findings. In summary she said:

- The shares were fluctuating in value, and she was holding them and expected to sell them when she wished, not Crowdcube to confiscate them. The value of the shares is now significantly above the share price that Crowdcube sold for.
- It isn't common practice for platforms to sell stocks to pay fees.
- She cannot find any regulatory rules that support unauthorised share sale for a non-discretionary account. A broker generally cannot sell shares without explicit

permission, unless as part of a discretionary service account or an event forces a sale, such as a margin call or company bankruptcy.

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.

Firstly, I acknowledge the points made by Miss T about her requesting Crowdcube transferred her shares to another broker, but she doesn't recall hearing back. Around the time of the listing, I can see that Miss T did contact Crowdcube (in August 2021) by email about this subject. So, there is evidence to show she queried the possibility of transferring the shares after the listing to an alternative broker.

I've also seen that Crowdcube responded to Miss T to say it was going to be able to provide a service that would allow Miss T to sell the publicly listed shares. But it said if she'd like to provide a separate broker, she should confirm their details and it would be happy to help.

I haven't seen any evidence that Miss T responded to Crowdcube to provide details of the other broker. So, the balance of evidence doesn't support that Crowdcube failed to act on an instruction from Miss T.

Following the listing, Crowdcube has confirmed shareholders were provided with two options, either retain shares in a Crowdcube GIA or transfer the shares to another broker – with the default option being for the shares being placed in a Crowdcube GIA. As mentioned above, there isn't sufficient evidence to show Miss T did provide details to Crowdcube for her shares to transfer elsewhere, so her shares were transferred to a Crowdcube GIA in 2022.

Crowdcube has provided evidence of the GIA that Miss T shares were moved into. It says once the shares were held in the GIA, Miss T was bound by the applicable terms including the fees. Crowdcube has highlighted the relevant term in relation to fees:

“3. FEES

In the event of a Listing, the Investor acknowledges and agrees that Crowdcube will charge an administration fee of 0.05% per month of the value of the Investors' assets which are listed, subject to a minimum amount of £10 per annum (“Administration Fee”) and may in its entire discretion charge a £50 administration fee for the transfer of shares outside of the GIA if requested by the Investor. The Administration Fee may be deducted from the Investor's balance in its GIA or any funds held by Crowdcube on behalf of the Investor. If the Investor has insufficient funds to pay the Administration Fee, the Investor authorises Crowdcube to instruct SCL to securities in order to pay for the fees.”

From reviewing the terms, it is apparent that there was a minimum administration fee of £10 per year and if there were insufficient funds in the GIA to pay the fee, Crowdcube was able to sell securities in order to pay for the fees. In the circumstances of this complaint, the sale of shares to pay for the fees has led to Miss T's shareholding all being sold over a fairly short period of time, it seems without her realising. I note at the time the shares were transferred to the GIA, the value of them had already reduced significantly from the original purchase price. And after this the continued decreasing value of the shares is a contributing factor as to why Miss T now no longer holds any shares. The further decline in the share price in the intervening period after they were transferred to the GIA meant that more of her shares were needed to be sold to cover the fees due.

I acknowledge Miss T feels there has been an unauthorised sale of her shares from a non-discretionary account. But my finding is the shares were sold by Crowdcube whilst fairly applying the terms of the GIA. And, while Miss T doesn't think it is common practice for a firm to sell assets to pay fees, in my experience this is something that is often included in the terms of investment accounts held across many investment brokers. This is to ensure the firm can collect applicable fees when there is no cash held in the account pay fees when due but there are assets that can be sold to cover.

In summary, I acknowledge Miss T's disappointment at finding out her shares had been sold when she had intended to sell them at a timing of her choice. But I haven't found Crowdcube has acted unfairly in how it collected the fees in the GIA. So, it follows I don't find it responsible for the losses Miss T claims.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 13 March 2026.

Daniel Little
Ombudsman