

The complaint

Mr R complains about Interactive Investor Services Limited ('II') and the transfer of his shares. He says that two of his shareholdings ('NAV' and 'LA') weren't transferred to his new provider when they should have been, and some went missing.

Mr R further complains that there has been a breach of his personal data. He says he never gave permission for II to open an account for him.

What happened

Mr R had an ISA Investment Saving Plan with his original provider, Provider A. In a letter dated June 2023, Provider A wrote to Mr R saying it had decided to stop providing the type of plan that Mr R had. It said Mr R had to decide what he wanted to do with his investments.

And his options were as follows:

1. He could allow his investments to be transferred to II, which was part of Provider A's group.
2. He could transfer his investments to a different provider.
3. He could sell his investments.

Mr R was told that his investments could be transferred in-specie, which means the investments themselves could be transferred without needing to be sold and converted to cash.

In July 2023, Mr R contacted Provider A to say he was choosing option 2, and he would transfer his shares to a new provider, Provider H. However, he says:

- his holdings of shares in NAV went missing
- his LA shares weren't sent to Provider H, as instructed.

Mr R escalated his complaint to our service when he remained unhappy with the answers he was receiving to the complaints he was raising to Provider A and II.

Mr R told us that, to resolve this complaint, he would like II:

- To pay the final distribution in respect of his LA shares to Provider H.
- To apologise for delays in resolving matters.
- To pay compensation for any impact as a result of errors made (including payment of missing dividends due on shares, if applicable).

One of our Investigators looked into the complaint and decided that II didn't need to take any further action regarding this complaint. This is because the Investigator explained that there

was no evidence to suggest that II held the shares that were missing. And as Mr R has been able to locate the final payments due from the LA shares, there is no further action for II to take in this matter.

Mr R disagreed with our Investigator's view.

Because no agreement could be reached, the complaint was passed to an Ombudsman.

I issued a provisional decision and considered the responses and I'm now making my final decision.

What I said in my provisional decision

Previously when the provisional decision was issued, I explained my current thinking was as follows:

Mr R's complained his NAV shares went missing during the transfer process. However, it was later identified that confusion came about as a result of an administrative error by Mr R's new provider, Provider H. I therefore didn't believe II needed to do anything else regarding this complaint.

Mr R complained his LA shares weren't transferred to his new provider or handled in accordance with his instructions. I found that these shares couldn't be transferred to Mr R's new provider because these shares were not supported by Provider H. This meant that II had to open an account for Mr R to handle any money or dividends received for these share holdings.

Mr R complained that II didn't have permission to handle his personal data or set up an account for him. I found that, because the account migrated due to a merger, there is legal provision under GDPR for data sharing (Article 6. 1b) where data sharing is allowed in circumstances where services need to be carried out due to existing contracts and where processing data is necessary for the performance of a contract. I shared my view that, because Mr R's LA shares and money associated with these (such as payment of dividends) still needed to be held, it was reasonable for II to set up an account for Mr R.

Overall, my provisional view was that I didn't think II had done anything seriously wrong in how it had managed Mr R's share holdings, or his personal data. And I wasn't going to recommend any remedy for this complaint.

What the parties said in response to my provisional decision

Mr R responded to my provisional view on 21 January 2026. II didn't respond directly to my provisional views, but the business did provide other relevant information I requested in November 2025.

Mr R says he accepts my view regarding the NAV shares.

Mr R, however, disagrees with my view regarding the LA shares. He says that he accepts these shares could not be transferred to Provider H because of the liquidation of the shares. However, Mr R clarifies that the money paid to him of around £8,000 from the liquidation of these shares was paid directly to Provider H, and not II. Therefore, there was no need for II to set up an account, because Provider H was able to receive money for these shares even though the shares themselves couldn't be held by the new provider. Mr R further says that, as the liquidation process for these shares concluded in late 2023, before II became

involved, there was no need for II to set up an account for him.

In November 2025, II explained that the business made contact with Mr R when the merger was announced, and II's terms and charging structure were also outlined to him at that time. II says it was explained that failure to transfer all assets to another broker within the deadline would result in accounts being migrated to II. And that, if an account needed to be created connected with the merger, II did not need consent from clients to take the action necessary to hold client money in the correct way. As money was still held for Mr R after the merger, II says it needed to set up an ISA account for him. And there has been no breach of Mr R's personal data.

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've now been able to take both replies into consideration as well as all available evidence. And I have reached a final decision.

Because Mr R accepts my view regarding the NAV shares, I won't be expanding on this point further. My decision remains unchanged. I don't believe II needs to do anything else regarding this complaint point.

Returning to Mr R's reply to my provisional views regarding the handling of his LA shares and the processing of his personal data; Mr R confirms that dividend payments were indeed paid to II after he moved to Provider H. Mr R also explains that the latest contact from II reports that there is still a balance of 24p within his ISA account with II.

I can appreciate Mr R's frustrations as he didn't expect to still be dealing with II so many years after the merger. The difficulty is, however, that II has indeed received payments in the form of dividends from Mr R's LA shares after the liquidation of these shares, and after the merger deadline. As such, the business had no choice but to open an account for Mr R to hold funds that were received.

Whilst I understand Mr R's point that his new provider was able to accept the settlement balance for the liquidated shares, this does not mean that all matters connected with these shares were fully resolved. Residual balances still need to be transferred. That's either because there is a cash balance in the product already, or it wasn't possible to re-register or transfer some of the assets and those had to be sold down to cash first or handled in the appropriate way.

This is what happened in the case of Mr R's LA shares after the merger took place. II received dividend payments for Mr R and needed to place the money on account. It did so in the form of an ISA account in Mr R's name, which was the right thing to do.

I've also read through an earlier complaint response that II sent to Mr R in 2024. This reply explains that II cannot close the ISA account it has for Mr R until the balance in the account is zero. Whilst the most recent statement shows a very small balance outstanding for Mr R of 24p (which is a small sum) II cannot close Mr R's account until the business receives instruction about what to do with the remaining balance. Mr R was advised previously by II that he should contact the customer services department at II to discuss options for this outstanding balance and to close the account II still holds for him. The business cannot reasonably act without instruction from Mr R about what to do with this residual balance. As such, I cannot be critical of II for still holding an account for Mr R.

Overall, my final decision is that II has acted fairly and reasonably in handling Mr R's share holdings and his personal information. And I find no failings in the business still holding Mr R's details whilst it remains the case that there is a balance for Mr R. Mr R may want to contact II directly, as detailed above, to finalise and close his account with II.

My final decision

I do not uphold Mr R's complaint. I do not direct any remedy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 10 March 2026.

Emily Bowyer
Ombudsman