

The complaint

Mr H complains Halifax Share Dealing Limited (HSDL) has restricted his ability to acquire shares in an Investment Trust.

What happened

Mr H has an ISA and a general investment account with HSDL. As of 2024, he held a number of shares in an Investment Trust I'll refer to as "T". Mr H's T shares were spread across his two accounts. Over time he'd been transferring the T shares into his ISA by way of a "bed and ISA" transfer, whereby shares in the general investment account are sold and simultaneously repurchased within the ISA.

Mr H attempted another such transfer in 2024, but found he was unable to do so. He spoke with HSDL, and the firm revealed it'd decided to prevent any further purchases of T shares via its platform. From its perspective, HSDL had reviewed the assets it was prepared to facilitate transactions in, and concluded T fell outside of what it now felt comfortable with.

Mr H was unhappy with HSDL's position on the matter. He complained he wasn't really looking to buy more shares, this was a technicality of the bed and ISA transfer he was attempting. All he was trying to do was shelter his holdings in an ISA wrapper. He argued that by not allowing him to trade, HSDL would be leaving him in a worse position. HSDL rejected his complaint, so he referred the matter to our service.

Our investigator didn't uphold Mr H's complaint. In summary, whilst they acknowledged the inconvenience it would cause Mr H, HSDL's decision to restrict the acquisition of any further T shares was a legitimate use of the firm's commercial discretion. Mr H didn't accept our investigator's opinion, so the matter's been referred 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.

Having done so I've reached the same outcome as our investigator. I don't uphold Mr H's complaint, and I shall explain why.

Underpinning HSDL's relationship with its customers is a set of terms and conditions, which Mr H will have accepted when he opened his account. These terms are important, as they make plain what each party's rights are in the contract between them, and set expectations about what could happen in the future. In these terms, HSDL says that:

"Where stocks don't meet our trading criteria, we can withdraw these from our platform. This could include stopping any further purchases..."

I've reviewed HSDL's reasons for withdrawing T as an asset that's available on its platform, and I'm satisfied they're in step with the clear expectation it's set in its terms and conditions. More broadly, there aren't any rules or regulations which would, in these circumstances,

compel HSDL to continue offering an asset it'd decided was inappropriate for its customers.

Mr H's argument seems to be that the firm should make an exception for him. And that it should consider he's not looking to increase his shareholding, he simply wants to hold the shares in his ISA. I have some sympathy for Mr H here. And I acknowledge that HSDL has a number of obligations to him as its customer. But I'm not persuaded the firm's failing to meet these obligations by making the decision it's made. The risk of HSDL making such a change to its platform is, in my opinion, clearly and fairly stated in the terms and conditions Mr H has accepted. I'm satisfied the firm's not treating Mr H unfairly by relying on these terms.

HSDL didn't immediately notify Mr H it'd withdrawn T from sale. And I acknowledge that Mr H would've preferred it had the firm done so. But in this case I'm not persuaded that notifying Mr H of the change would've led to a different outcome. From its submissions, I can see HSDL found cause to restrict the sale of T and applied that restriction on the same day. So there wouldn't have been time for Mr H to take any action to mitigate the impact of the change. I'm not persuaded therefore that the firm has failed to treat him fairly here.

I've also considered that I've received no evidence which shows it's now totally impossible for Mr H to shelter his T shares in his ISA. Certainly he can't do this with HSDL. But other platforms will have their own standards of what assets they're prepared to transact in, and it may well be that if he were to switch providers, he could resume the activity HSDL's actions have curtailed. It's not necessarily convenient to change providers of course, but as I've outlined above, fundamentally, I don't consider it unfair of HSDL to have administered Mr H's account in line with its terms and conditions.

For all of the reasons given above, I do not uphold Mr H's complaint.

My final decision

My final decision is that I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 July 2025.

Marcus Moore
Ombudsman