

## The complaint

Mr N complains that Halifax Share Dealing Limited ('HSDL') is providing an incorrect book cost for shares he holds in an Individual Savings Account ('ISA').

## What happened

Mr N holds a number of shares in a business I will call company P. The shares are held within an ISA with HSDL and were purchased between 2021 and 2024. Mr N complained to HSDL that they were recording an incorrect book cost for his shareholding in company P and that this had caused him a financial loss. HSDL didn't uphold the complaint, explained how they calculated the book cost and that they were unable to agree the book cost had been incorrectly calculated. HSDL says they use an aggregation method for calculating the book cost and this should not be relied upon to calculate any Capital Gains Tax ('CGT') calculations.

Mr N brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. Our Investigator didn't think HSDL had treated Mr N unfairly and, after further submissions from Mr N and HSDL, thought that it would be unreasonable to ask HSDL to provide a manual calculation. Mr N asked that an Ombudsman decides the complaint and it has been passed to me to consider.

Before considering my decision, I asked HSDL to provide details of how they had calculated the book cost figure displayed on Mr N's account. As a result of their response, I reached a significantly different outcome to that of our Investigator, and I issued a provisional decision for both parties to consider. In my provisional decision I said that unless the information changes my mind, my final decision was likely to be along the following lines:

"I understand HSDL will be disappointed, but I intend asking them to pay Mr N £100 to reflect the distress they caused him when they didn't deal with his reasonable requests to provide a breakdown of how they calculated the book cost of his shareholdings on company P. I will now explain why.

Mr N's complained the on-line book cost produced by HSDL misrepresents the value of his shares in company P. He strongly believes HSDL have left him out of pocket by £2,069 and says this is the difference between the value of his remaining shares and the book cost HSDL produced. In my opinion, the crux of the complaint is Mr N's frustration that HSDL hasn't been able to explain to him how they calculated the book cost of the shares. Therefore, my decision will focus on this and whether HSDL treated him fairly in this regard.

In order to understand how HSDL calculate the book cost of shares, I've reviewed the terms and conditions of Mr N's IWeb account with HSDL. Mr N would have agreed to these when he opened his account, and they are available online. I've also looked at IWeb's website to understand how HSDL calculate the book cost and a stock valuation.

In respect of how HSDL calculate the book cost, they say, *"The book cost is the total original cost including charges. If you have only made purchases on one stock the book cost will be the total of those purchases. When stock is sold from that total, the percentage*

*of the stock sold is taken from the total of the amount paid.” HSDL then provide a generic example of how this works and explain, “You should keep your own records of stock movements and transactions. You shouldn’t rely on the book costs we provide for calculating tax liabilities.”*

Although other businesses may take a different approach, I can’t tell HSDL what approach they should take; that is a decision for them. The terms and conditions explain their approach and their final decision letter to Mr N expanded on this and said, *“When stock is sold from that total, the percentage of the stock sold is taken from the total of the amount paid. In the example above, the book cost would be £300 for 200 shares. If you sell 100 shares (this is 50% of the number of shares) the book cost for the remaining shares would be £150 for 100 shares.”*

HSDL provided Mr N with a generic explanation of how they calculated the book cost value of the shares for company P, and there’s nothing to suggest to me that Mr N has suffered any financial loss - albeit he believes the book cost should be £5,893 and not £3,824. However, I can see that Mr N didn’t understand how HSDL had calculated the book cost displayed on his account and this is what is really at the crux of his complaint.

Our Investigator feels HSDL should now provide Mr N with details of how it calculated the book cost. However, I intend saying HSDL should have provided this information several months ago when Mr N first asked for it. It wasn’t an unreasonable request for him to make, but despite making this request several times HSDL didn’t provide the information.

When I asked HSDL for the calculations specific to Mr N, rather than the generic example they provided to him, they were able to provide it to me within a few days. It’s clear from the conversations Mr N was having with HSDL via their chat service that he was stressed and couldn’t understand how HSDL had worked out the book cost of the shares. I intend saying that if HSDL had provided Mr N with the calculation they’ve since provided to me, it would have reduced the distress he has been feeling.

HSDL have now explained, that in this case, Mr N’s first four trades in company P totalled 281045 shares. The cost was £6,147.93 and included charges. This made the average cost per share £0.021875. Mr N then sold 153091 shares and HSDL reduced the book cost by multiplying the average cost per share at the time of the sale by the shares sold.

The 153091 shares sold at £0.021875 (£3348.87), and this amount was deducted from the book cost of the purchase £6147.93, which equates to £2799.06. The average cost per share doesn’t move on a sale so remains £0.021875.

Mr N then purchased a further 146337 shares for a net cost of £1525, giving a revised total shareholding of 274291 shares for a new book cost of £4324.06 (£2799.06 + £1525.00). This gave a new average cost per share of £0.01576. This is the average cost per share displayed in Mr N’s on-line account.

I intend saying this is a reasonable explanation and provides the level of detail Mr N has been looking for. He may not agree with the approach HSDL takes in this regard, but as I’ve said earlier, it’s not for me to tell HSDL what their approach should be. However, I intend saying that HSDL’s failure to provide a response to Mr N’s reasonable request for this calculation caused him some distress that could have been avoided. I intend asking HSDL to pay Mr N £100 to recognise he made several attempts over a number of months to obtain this information, but it wasn’t provided.”

Both parties rejected my provisional decision.

Mr N says that my intended remedy doesn't reflect his account still shows the amount he has invested is incorrect, and that HSDL should resolve this.

HSDL say that going into an individual's portfolio and doing manual calculations for that individual to explain how their valuation screen data has been calculated is not part of the service they offer and as such, does not form part of the customer agreement. They add that, although not specific to his own portfolio, Mr N was provided with the explanation for how the data on his online valuation screen is calculated on the occasions that he enquired and it appears he was unable to, or chose not to, correlate those explanations to his own portfolio. This model has proved to be sufficient for HSDL's customer base to understand without dispute for almost 30 years.

### **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 decided to adopt my provisional decision as my final decision. I will now address the comments from Mr N and HSDL and explain why they did not change my mind.

Mr N feels that the amounts showing on his account should be corrected. It may be that my provisional decision wasn't as clear as it could have been, so I will clarify my position in this regard. Mr N may not agree with the way HSDL show the amounts on his account, but they explain how they calculate the amounts in the terms and conditions. I accept other businesses may do things in a different way, but I can't reasonably tell HSDL they must provide the amounts shown on his account in the way he wants them to. HSDL manage many customer accounts, and they do not have to provide a bespoke service to Mr N – they only have to provide the service they said they would. In my provisional decision I explained why HSDL used the amounts they do in his account. And I made it clear the calculations reflected Mr N's transactions in company P using the aggregation method HSDL says it will use. Unfortunately, if Mr N wishes to receive a stockbroking service that provides a detailed report on the book value of his holdings, he may need to consider investing with another stockbroker that can provide this service.

The crux of HSDL's response to my provisional decision appears to be that they have been using the same aggregation method for a long time without any dispute and that the account Mr N has doesn't provide a bespoke service. I want to be clear here, I understand the limits of the account Mr N holds and I accept that HSDL didn't do anything wrong in calculating the amounts on the account in the way they did. However, my decision focusses on – and I will use HSDL's own words here – whether Mr N was unable to, or chose not to, correlate those explanations to his own portfolio.

Mr N spent some time trying to work out how HSDL had calculated the amounts shown on his account. He contacted HSDL a number of times to try and understand how they had calculated the amounts showing on his account. This supports that he chose to try and understand, but he didn't really get an explanation. HSDL simply re-iterated what the terms and conditions of the account said.

When Mr N complained to HSDL, as he believed they may have made a mistake, their final response missed the opportunity to explain how the figure was calculated. HSDL has told us that it considers Mr N's request that these guide figures be manually recalculated was an unreasonable one. I'm satisfied it was a reasonable request and that if answered in the way HSDL responded to my request, I think it would have given Mr N a better understanding of the amounts showing on his account – even if he ultimately didn't agree HSDL were using the calculation method he wanted them to.

### **Putting things right**

HSDL's failure to provide a response to Mr N's reasonable request for a calculation caused him some distress that could have been avoided. I intend asking HSDL to pay Mr N £100 to recognise he made several attempts over a number of months to obtain this information, but it wasn't provided.

### **My final decision**

For the above reason, I've decided Halifax Share Dealing Limited should pay Mr N £100 to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 16 July 2025.

Paul Lawton  
**Ombudsman**