

The complaint

Mr A complains that he received misleading letters from HSBC UK Bank Plc trading as first direct and, as a result, he suffered a financial loss.

What happened

The background to this complaint was set out in my provisional decision dated 15 December 2025.

Mr A has a stocks and shares Individual Savings Account (ISA) with first direct in which he held shares in Centamin Plc. On 18 September 2024 first direct wrote to Mr A saying that under a Scheme of Arrangement Centamin shares were being bought out by AngloGold Ashante Plc (AA) and the AA shares would be added to his ISA once the sale completed. Mr A says that on 1 November 2024 first direct wrote to him to say Centamin shares would cease trading on 19 November 2024 and the AA shares would be added to his ISA.

Mr A decided to retain his Centamin shares as he considered that AA shares offered long term growth.

Between 19 November and 2 December 2024 Mr A tried repeatedly but unsuccessfully to log into his online ISA account. When he spoke with first direct on 2 December 2024 they said the issue was caused by the imminent forced sale of his AA shares. A workaround was put in place so Mr A was able to view his shares but could not sell his AA shares had he wanted to do so. The same day (2 December 2024) Mr A complained to first direct saying that his AA shares should not be sold as they hadn't told him of the forced sale before Centamin ceased trading.

On 5 December 2024 first direct wrote to Mr A to say that as the AA shares would be traded on the New York Stock Exchange (NYSE) he was unable to hold them in his first direct ISA. They said his AA shares would be sold on 20 December 2024 although they then wrote to him on 23 December 2024 to say this had been rescheduled to 6 January 2025. Mr A's AA shares were sold on 6 January 2025.

First direct responded to Mr A's complaint saying that when they wrote to him in September and December 2024 they didn't know where the AA shares would trade. The AA shares were placed in his ISA but as AA trades on the NYSE they were unable to hold them. They said that in their letter dated 5 December 2024 they had told Mr A he could transfer his AA shares to another provider or put them in certificated format. They said they told him he would need to confirm by 3 January 2025 if he wanted to take up either option or they would be included in the forced sale. First direct said that as AA traded on the NYSE affected customers had restrictions added to their account to avoid any issues with trading. They acknowledged their letter of 3 December 2024 asking him to call them to arrange the sale of his AA shares did not explain that restrictions would be added to his online portfolio due to the AA shares being traded on the NYSE. They also acknowledged "the letters have been confusing" and that Mr A spent a long time on the phone on 2 December 2024 trying to access his online account. In recognition of these issues first direct paid Mr A £100.

Mr A complained to us that first direct's misleading communications significantly impacted his decision making. He says he would have sold his Centamin shares on 24 October 2024 had he known a forced sale might take place after 19 November 2024. He says first direct acted against his wishes in selling his AA shares. He asked that first direct reimburse him for the Centamin shares at the price he could have achieved on 24 October 2024 together with £580 for his time and the inconvenience of progressing his complaint and escalating it to us.

Our investigator thought first direct's offer was fair but Mr A did not consider our investigator's response to be fair or balanced. He said first direct had provided false information when they said they didn't know AA would be traded on the NYSE as his internet search showed this had been known since September 2024. He said first direct had sold his AA shares against his wishes. A different investigator investigated Mr A's complaint and concluded that first direct's offer was fair.

Mr A disagreed and asked for an ombudsman to make a decision. He said the letters of September and 1 November 2024 misled him as they were not accurate. He said first direct had a duty of care not to mislead their customers, to be transparent and to give full and accurate information. He maintained that he had suffered a financial loss.

Provisional decision

In my provisional decision I said that the crux of this complaint centres on what first direct knew about where the AA shares would trade and when they knew or could reasonably be expected to have known this information. In summary I said:

- The Scheme of Arrangement for Centamin's buyout was published at the end of September 2024
- The Scheme of Arrangement made it clear which exchanges the new shares would trade on - which didn't include the LSE
- First direct said they wouldn't routinely interrogate a full Scheme of Arrangement and instead they relied on the information broadcast by their custodian
- I found that the information first direct received from their custodian included the ISIN of the new shares, and the shares to which that ISIN related don't trade on LSE.
- So overall I thought first direct ought to have been aware of the shares tradeability in October 2024
- As a nominee holder of Mr A's shares first direct had an obligation to carry out its business with due skill, care and diligence and communicate in a clear fair and not misleading way with Mr A.
- To meet its obligations I was of the view first direct ought to have told Mr A in October 2024 that the shares he was due to receive wouldn't be tradeable on first direct's platform.
- If it had done so, I was persuaded Mr A would have sold his shares sometime between 14 and 31 October 2024.

In my provisional decision I proposed the following redress:

HSBC UK Bank Plc trading as first direct pay Mr A the average price his Centamin shares would have achieved if they had sold between 14 and 31 October 2024 plus interest at 8%.

HSBC UK Bank Plc trading as first direct has paid Mr A £100 but they should pay Mr A a further £100 as compensation.

Both Mr A and first direct came back to me following my provisional decision with comments and I went back to them by email to which they responded.

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 taken into account the representations received following my provisional decision. I want to reassure Mr A that although I might not refer to every argument made or each document received I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. My findings focus on what I consider to be the crux of the issue.

Mr A didn't think my provisional decision fairly compensated him. He thought first direct should pay more than £200 for his distress and he didn't think I'd accounted for his opportunity cost. He said compensation should reflect that if he'd kept the shares they'd now be worth over £20,000.

First direct said they were minded to accept my provisional decision. They questioned the redress methodology following which I told the parties I intended to amend compensation to reflect the sum Mr A did in fact receive for his shares as I bear in mind Mr A did get something for his shares. So, my provisional award - giving him the price he would have received on top - would have left him better off than he would have been but for the error.

In his representations following my provisional decision Mr A said I should take account of the current value of the shares. But I note he has been consistent throughout his complaint in saying he would have sold the shares in October 2024. So, on the balance of probabilities, I don't think it's likely he'd have retained the shares and so I don't think it would be fair that any compensation should take into account their current value. I'm satisfied the redress I set out below is fair. I have considered the impact of not being able to do other things with the money he'd have received for the shares. But as I don't know exactly what Mr A would have done, in line with our service's usual approach when someone has been deprived of the use of money, I've recommended that first direct add 8% simple interest as per the decision below. I'm satisfied this is fair.

I've considered Mr A's points about the efforts he made in pursuing the complaint. First direct offered Mr A £100, I increased that to £200 as I didn't think £100 fairly reflected the efforts Mr A would have made in pursuing the matter. I've considered again Mr A's points and I remain of the view that £200 is fair non-financial loss compensation.

Putting things right

To put things right:

HSBC UK Bank Plc trading as first direct pay Mr A the average that his Centamin shares would have achieved if they had been sold between 14 and 31 October 2024 minus the sum Mr A received when his AngloGold Ashanti shares were forced sold and together with interest of 8% on the difference between these two amounts.

HSBC UK Bank Plc trading as first direct pay Mr A a further £100 as non-financial loss compensation.

For the avoidance of doubt any sums paid to Mr A under my final decision should be paid outside the ISA.

My final decision

My decision is that to put things right HSBC UK Bank Plc trading as first direct compensate Mr A as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 March 2026.

Victoria Smith
Ombudsman