

The complaint

X has complained that Solium Capital UK Limited, trading as Morgan Stanley at Work ('MS'), delayed the completion of her share transfer. X would like to be compensated for the losses she incurred because of that.

What happened

On 24 January 2024 X exercised and paid for 34,027 stock options in a company I share refer to as 'Business B' in my decision. X lives in the US and instructed MS to transfer her shares to her US broker who I shall refer to as 'Broker A'. X completed the transfer request on MS' website where she was informed the transfer would take between three and six working days but despite showing as transferred on MS' account the share transfer didn't complete for six months after she had requested a further transfer.

X had been planning on selling the shares and needed the proceeds to help with a house purchase, but she had to borrow the money from family which she hasn't been able to pay back. And while the transfer was delayed, the value of Business B's shares fell.

In response to X' complaint MS said Solium received confirmation from its share transfer team it was waiting for a reply from X's broker from 25 April 2024.

MS issued a further response to the complaint on 23 July 2024 about X' further transfer attempt. It said the transfer had completed on 13 June 2024. It explained a transfer needed to be agreed between the two brokers to complete and as this was a transfer originating from Europe the transfer request couldn't be initiated by Broker A and the process was via MS' platform. It explained its attempts to transfer the shares which couldn't complete because of Broker A.

Unhappy with the outcome X brought her complaint to the Financial Ombudsman Service. Our investigator who considered the complaint said he hadn't seen enough evidence for him to uphold X' complaint that MS were responsible for the failed transfer. He couldn't hold it responsible for the actions of Broker A. But it could have been more proactive in updating X about the email address and explained itself more clearly. He thought MS should pay X an additional £100 on top of the £150 already offered.

MS agreed with investigator. X disagreed and amongst other points said it was nonsense MS claimed that because she didn't ask it to stop the transfer was evidence she didn't want to sell her shares. She wasn't offered the option to transfer her shares back to MS until 8 May 2024. X said inclusion of contact details for the transfer process on MS' website was optional and she didn't fill it in as she didn't know who at Broker A would be dealing with transfer. MS hadn't provided the 'control number' for the transfer as had been promised and the updated email hadn't been used after it was provided.

As a result of this and comment from MS, the investigator updated his opinion. With regard to MS' use of the updated email address, even after MS used it Broker A's responses were slow and imprecise. MS had also said it had provided all information necessary to complete the transfer and a 'control number' wasn't needed. The investigator was persuaded by MS'

argument that use of the new email address didn't affect the situation nor was a control number an essential requirement for transfer as the later transfer was completed without it.

X didn't agree. She said MS made a false statement that the transfer would complete within six days. She had provided all the information MS had asked for and it wasn't until 4 April 2024 she was told it needed an email address for the transfer office at Broker A. This caused a delay of ten weeks. X was told by MS in March that the shares had been transferred but had not been picked up by Broker A. She was later told she needed a control number, and this wasn't provided despite being told it would be, and her understanding was that a control number was needed when all the information needed hadn't been sent to the transfer team at Broker A. If this had been followed up X would have been able to sell her shares at around \$4.00 but once it was provided with the correct email MS didn't use it immediately during which time the shares fell in value.

For the second share transfer, rather than use the website she paid MS a fee so that a dedicated person would deal with the transfer and which was successfully completed. She hadn't been given that option for the earlier transfer.

X remained dissatisfied with the outcome, so the complaint has been passed to me to decide in my role as ombudsman.

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.

After doing so, I've reached the same conclusions as the investigator and broadly for the same reasons. I'll explain why.

I'm aware I've set out the background to this complaint in far less detail than X and I've done so using my own words. I'm not going to respond to every point made by the parties involved. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

And I should point out that there are two businesses involved in this complaint – MS and Broker A. But for the purposes of this decision, this complaint isn't about Broker A and this service doesn't have jurisdiction to consider any complaint that may be made about it. So, in this decision I am only considering whether, in my opinion, MS acted fairly and reasonably during the transfer of X's shares.

And when I am presented with contradictory testimony or income information or evidence, I have to base my decision on the balance of probability and what I think more likely happened.

MS has provided a timeline of the actions it took, which I have used and cross matched with call logs and other evidence and testimony presented to me. I provide comment within the timeline and make additional comment further on in my decision;

- 24.01.24 – X exercises and pays for 34,027 stock options in Business B and the transaction was to settle on 30 January 2024. X completed an instruction to transfer the shares on MS' website.

- 09.02.24 – X chased MS for an update on the transfer and was asked for a contact email at Broker A. X gave the email address as provided by Broker A's helpdesk. I understand X didn't provide an email contact in her original transfer instructions as this was optional.
- 12.02.24 – MS sends an email to Broker A who accepted the transfer request but despite being asked didn't provide the Standard Settlement Instructions ('SSIs') details that were needed to complete the transfer.
- 20 & 27.02.24 – MS chased Broker A's contact for the SSIs and Depository Trust Company ('DTC') code.
- 05.03.24 – Broker A replied to say 'What do you mean by SSI and what information is need[ed] I thought this was already confirmed. The client says you no longer have the shares and have sent them already.' I'm persuaded these delays weren't caused by MS. I understand it had requested the SSIs/DTC code three times over a month, and this was information necessary for the transfer. And regarding the shares no longer being with MS while I can't know for sure, this may have been because they were out for transfer.
- 08.03.24 – MS replied saying the request was still outstanding on its side and it needed the DTC code and gave its own DTC code [ending 15].

Broker A replied 'I am confused as to what the holdup is I have previously confirmed and sent the DTC number we have a very frustrated client here. Why are you refusing the transfer of her shares our DTC number again is [ending 62] please sun [sic] the share to the client immediately.' MS has told us the DTC hadn't previously been provided, and I haven't seen any evidence to the contrary. So, in the absence of any further evidence, I think this is more likely, so I don't find MS at fault here.

- 13.03.24 – MS contacted Broker A for a follow up, so was being proactive in chasing for a reply at this time.

Broker A responded, '...why have you not sent the clients shares I have confirmed the DTC code with multiple of your associates who are working this Case. Do you have a direct line. I have sent you the DTC number already. There is an email on February 20th containing this. The number is [ending 62].' As above, I haven't seen any evidence that Broker A replied any earlier than this email with the DTC code nor have I seen an email of 20 February 2024.

MS informed Broker A it would deliver the shares to MS' DTC with settlement date of 14 March. MS then chased as it needed the SSIs which still hadn't been provided. At this time, I'm satisfied MS was appropriately advising Broker A of its intentions of delivery/settlement but still needed information from Broker A.

- 18.03.24 – MS sends a 'Transaction Header' to Broker A with the transfer details and requested a match.

MS then informs Broker A the transfer failed as MS provided the incorrect DTC code [ending 15 rather than 08]. This misinformation was MS' error and caused a delay of five days – between 13 and 18 March, however I note it spotted and rectified its mistake as soon as the transfer failed and asked Broker A to do the same.

- 20 to 26.03.24 – Broker A liaised with its back office to change the DTC code in the instructions.
- 04.04.24 – X has a three-way telephone call with Broker A and MS. She tells MS she wants to sell. MS speaks with X later in the day and offers to cancel the transfer so

she can trade the shares on its platform. Broker A provides a different email for MS to use.

- 22.04.24 – MS continued with the email conversation of 18 March and asked Broker A again to agree to the transfer and copies in the email address provided by Broker A during the three-way call of 4 April. There was a delay in MS using the updated email address, but I comment on that below.
- 25.04.24 – The transfer remained open pending being matched in the market, but Broker A didn't change its instruction or make contact with MS so it contacted Broker A and said; 'This transfer still not settled – please note that we are going to instruct our delivery to your DTC [62] from our DTC [08] with trade and settlement date 30th and 2nd respectively – if you do not accept/this transfer does not settle, we will cancel this request.' MS kept the transfer instructions open in the market for Broker A to match and settle. But this didn't happen.
- 26.04.24 – Broker A replied to say, 'My team is saying they have not received the correct documents please provide me the documents submitted so that I can provide to our back office.'
- 08.05.24 – MS contacted Broker A to say, 'As this request is aged and your team is not in a position to accept, I am cancelling this request.'
- 09.05.24 – MS cancels the process, and shares are returned to X' MS account.

Contact with Broker A

After X initiated the share transfer via MS' website on 24 January 2024, the website said it would take between three and six business days for the transfer to complete.

X is frustrated that after giving her instruction she wasn't asked by MS until 9 February 2024 for an email contact to confirm her brokerage account at Broker A. I understand the inclusion of an email address was optional. I don't know what information X had to provide to initiate the transfer but can understand her frustration here if this would have speeded things up.

However, I note from the call log that she was informed the 'delay *may* be due to no email for firm on file. Suggested getting contact email and provide...so we can resume transfer request.' [my emphasis] As I say, I don't know what information X had to give at the outset of the transfer request, but it isn't clear to me that an email address was necessary, only that it 'may' have been the cause for the delay. And I note that X called back on the same day with an email address 'just in case'. So, while I'm not persuaded that it was an absolute requirement at the time, I acknowledge it doesn't answer any question as to why the transfer hadn't been initiated more quickly after X' request in January.

When X was asked for an email at Broker A, she told us she called its 'helpdesk' as her usual adviser was away. The person who answered said she could use his email. X says it should have been apparent to MS that he wasn't the correct contact regarding a transfer request but equally, I would have expected the recipient of the email at Broker A – the person on the 'helpdesk' – to have recognised he should not have been dealing with such a request, particularly if he wasn't able to deal with it efficiently, which proved to be the case. In my opinion the appropriate course of action at that time would have been for him to have referred the request to Broker A's back office/operations team who would have been dealing with the transfer.

If this had been done, I am of the opinion much of the delay wouldn't have occurred. I say this because I've seen the emails for the June transfer and can see MS' initial email was directed at a particular individual at Broker A and not the transfers email provided by Broker A during the call of 4 April. And I note that while the June transfer email was directed

at an individual, that individual didn't respond to MS, another individual did. This indicates to me that the initial email recipient of the June request at Broker A correctly forwarded it onto the appropriate team/person at Broker A in order for the transfer to be processed and completed. So, I don't see why for the February transfer, the email recipient couldn't have done the same.

And after reviewing the initial transfer instruction of 12 February 2024 and the later one of 7 June 2024 I'm of the opinion the transfer would have completed quickly if the above course of action had been taken. I say this because in both cases the transfer instructions – which asked for a response – are laid out in exactly the same format, and apart from a different 'Shareworks Ref', trade/settlement date and quantity of shares – which I would expect for a different transfer – they contain exactly the same information. That information included Client name, currency, ISIN, 'Your Clients Account' reference and 'Safekeeping Account'.

So, I'm not persuaded additional documents were needed by Broker A on 26 April 2024, even for an overseas transfer, and I'm satisfied that if the recipient at Broker A had acted appropriately upon receipt of the email sent on 12 February 2024 the transfer would have completed as smoothly as the transfer did in June 2024.

X has told us for the second transfer she paid for someone at MS to transfer the shares. I don't know why X wasn't offered the facility to pay for a person at MS to manage the first transfer. However, I agree with what MS has said about this in that while X may have paid for this discreet service for the later transfer, the same, and standard, process was followed during the first transfer request so there shouldn't have been any issue with it and for the reasons given above, I don't find that unreasonable.

I've reviewed the call log and transcript of the 4 April 2024 telephone call where there was a three-way conversation between X, MS and Broker A. The telephone note says that Broker A had stopped responding to her emails and during the call Broker A's representative provided an updated email for account deliveries and said that he would send an email to the transfer team requesting an escalation. MS said it would provide the 'control number' associated with the transfer to both X and Broker A further to the call but I understand this didn't happen.

MS has told us this was because that data – the control number – wasn't available and in any event, it wasn't deemed necessary to complete the transfer. X has said it was necessary when a transfer hadn't processed as it should. But I accept what MS has said here as a control number wasn't available and wasn't needed for the later transfer. So, while I acknowledge this information wasn't provided as X and Broker A were told it would be, overall, I think there was sufficient other information already provided for Broker A – who was going to escalate the transfer – to have completed the transfer. However, I understand MS didn't receive a reply from Broker A in response to the proposed trade/value date of 23/25 April and was later cancelled as per above.

MS didn't immediately use the new email address it had been provided during the call of 4 April. MS copied that email address into its chaser email it sent further to its earlier email of 18 March addressed to Broker A. While I can see there was a delay in the updated email being used – apparently caused by MS' operations team initially missing the notification it had been sent – there's no evidence the inclusion of that new email changed the situation as it was only the 'helpdesk' individual who responded advising that its back office hadn't received all the correct documents. As already commented on, my understanding is that no documents were needed, and Broker A had everything it needed to progress the transfer. But there's no evidence of a response from the newly provided email address which suggests its inclusion didn't make any difference.

And MS told us that it was only when X requested the successive transfer on 4 June 2024 – and a different contact responded to MS’ request in any event – that the situation changed, and the transfer was handled diligently. So, there’s no evidence that if the use of the new email given in the call of 4 April had been used by MS any sooner that the outcome would have been different. There was no response from that email address in April 2024 and that email address wasn’t used in the later, successful, transfer. Also, all the information provided in the later request was the same information as provided to Broker A in the initial request and so I’m persuaded there was sufficient for the transfer to complete. There was no need for a control number, and this was never requested to complete the second transfer.

X’ option to sell her shares

X was transferring her shares from MS as she wanted to trade her shares. On 4 April 2024 X said ‘The stock is moving and I want to sell it TODAY’ in an email and during the three-way telephone call she had with Broker A and MS on the same day.

I note from a further telephone call transcript later in the day that X returned a call from MS as MS was trying to resolve the position but because it was the London based office the transfer team had left for the day. But the MS representative said she ‘wanted to see if I could cancel your transfer on our end for you to be able to possibly transact on our platform, but [her manager] said that wouldn’t be able to take place today...but I wanted at least to be able to offer you all of your options...and [see] what kind of traction we can get between now and in the morning...’

X responded with her reasons for not wanting to trade on MS’ platform, that MS had retained some sale proceeds for tax purposes from an earlier trade, which MS has told us are standard charges it was instructed to provide by her ex-employer, but I know X disagrees with this. However, it’s clear the opportunity to cancel the transfer and sell her shares was offered to X a month earlier than the 5 May 2024.

I’m satisfied X was transferring her shares so she could trade in them. But it can’t be known how many X would have sold or at what price. I understand it was difficult to trade in volume in Business B’s shares and on 4 April X was aware there was unusually high-volume trading in the market which could have improved her options of selling her shares. But bearing in mind my conclusion that the transfer could have completed a lot sooner as MS had provided all the necessary information and instructions in order for the transfer to have taken place, I don’t think it would be fair or reasonable for me to award X the value of her shares at the date of instruction or on any given date. I say this because, in the main I don’t find MS responsible for the delays and it can’t be known on what date X would have sold her shares or how many.

X’ dealings with MS

I can see from the call logs and transcripts that X had to contact MS many times by telephone and email to get answers and updates. While some of the transcripts are difficult to follow it’s clear that in response, she received conflicting or incomplete information, but I accept that wasn’t necessarily MS’ fault as it was waiting for information from Broker A, or the issues were back office/operational ones which weren’t known to the person answering X’ calls.

But it is evident this was extremely frustrating for X, particularly as she wanted to sell some shares – which were falling in value during this time – to help finance a house purchase and move. And I do think MS could have done more. It could have been more proactive in contacting X during a period when she was receiving different answers from different representatives at MS as well as from Broker B. X was caught in the middle and was

experiencing considerable frustration with the delays and lack of correct information she was receiving.

But, in establishing the root cause of X' complaint I have to look at the primary cause of the transfer not completing within a reasonable timeframe which in my opinion doesn't fall to MS as the email sent in February to Broker A wasn't passed onto the team that would have been able to deal with it, the responses to MS didn't contain the information that was asked for and were vague when it came to any potential further documents that it said were needed, which I'm satisfied weren't a required in any event.

So, while I think MS was at fault in its communications with X, the unknown reason for the delay in the initiation of the transfer, the incorrect DTC code being given in the short term and where I think it could have responded to or chased Broker A further, but I don't find the reason for the crux of the complaint lies with MS. Fundamentally, MS provided all the correct information needed in order for the transfer to complete smoothly on 12 February 2024. If that information had been dealt with as it should have been and the requested SSIs/DTC had been provided, then I'm persuaded the transfer would have successfully completed.

So overall, while I can see that MS did make errors, I don't find the errors it did make to be the main reason for the delays. But I do think X should be awarded a sum in recognition of the trouble and upset she has been caused because of those errors. MS has already agreed to the increased payment of £250. And I think that is a fair and reasonable reflection of the upset X has been caused and is in line with what I would award under similar circumstances.

Taking everything into account, I don't uphold X' complaint except for the increase in the award already offered by MS. I know X will be disappointed in the outcome. I'm sorry for the experience X has had when she was acting in good faith. It's clear she understandably feels very strongly about it, and I would like to thank her for the time and effort she has spent in bringing her complaint. But I hope I have been able to explain how and why I have reached that decision.

My final decision

For the reasons given, I don't uphold X' complaint about Solium Capital UK Limited, trading as Morgan Stanley at Work. But Solium Capital UK Limited, trading as Morgan Stanley at Work should pay X £250 for the trouble and upset she has been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 1 August 2025.

Catherine Langley
Ombudsman