DRN-5690848

Financial Ombudsman Service

The complaint

Mr K complains that the proceeds from share sales he placed through IG Index Limited ("IG") weren't available for him to access when they should have been. He says he needed the money to pay bills and would like compensation for the distress and inconvenience he's been caused.

What happened

Mr K has a share dealing account with IG. He needed money to pay a bill due on 28 June 2024. He held shares in a company I'll refer to as "N" and he sold N shares on 27 June. N was listed in the US and he says, in line with US regulations (set by the Securities and Exchange Commission ("SEC")), he expected the sale to settle on T+1 on 27 June. He says the sale proceeds weren't credited to his account until 2 July and that IG delayed making payment to him, even though he explained the urgency. He says the same thing happened when he sold his shares in another US listed company, which I'll refer to as "B". He sold these shares on 12 July but the proceeds weren't credited to his account until 15 July.

IG pointed to its customer agreement which sets out that "*most worldwide shares settle on either a T+2 or a T+3 basis*" and that Mr K's sales settled within this timeframe. IG said that Mr K made a withdrawal request after mid-day on 2 July and so, in line with its terms, it made payment the following business day.

Our investigator didn't recommend that the complaint should be upheld. Mr K didn't agree, so the complaint was passed to me.

My provisional decision

I was minded to uphold the complaint and I explained why in my provisional decision dated 24 June 2025. I said:

> IG showed us its screen pages for both N and B shares which shows settlement as T+3. But I don't think this was the information Mr K was given. I say that because I think the information shown in Mr K's trade history, more likely than not reflects the information he was given when he placed the trades. This shows:

	Trade date	Settlement date
N shares	27-06-2024	28-06-2024
B shares	11-07-2024	12-07-2024

> IG told us the discrepancy is explained by its "*operational processes*" – its deal tickets show T+3, in line with its customer agreement terms, but actual settlement may occur earlier, as reflected in the trade history. But the trade history says the trades settled at T+1, which they didn't. So I'm not persuaded by IG's explanation.
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> IG's explanation also doesn't marry with what he was told when Mr K phoned IG the day after the sale of B shares, to check when he would receive the proceeds in his

account. He was told there had been a "*market settlement delay*" and that settlement was taking two days. This suggests IG also expected settlement to be T+1, but there had been a delay because the shares hadn't been delivered.

For these reasons, when Mr K gave instructions to sell his US shares, I think he reasonably understood they would settle at T+1 as this was in line with the SEC's regulatory requirements and in line with the trade records IG provided. And this was reflected during the phone call when IG told Mr K settlement had been delayed and was now expected on T+2.

IG said Mr K's share sales were settled in line with the timescales set out in its customer agreement terms which say:

> "*Most worldwide Shares settle on either a T+2 or a T+3 basis*." (12 (2))

But, for the reasons I've already outlined – including what he was told during the phone call – I think it was reasonable for Mr K to expect settlement to be T+1, despite what the terms said.

Having concluded IG had done something wrong, I considered what it needed to do to put things right. I said:

Whilst Mr K hasn't made us aware that the delay led to a financial loss, even if it had, I don't think IG needs to compensate him for that. Let me explain why.

IG's terms go on to say:

> "*We are not responsible for any delay in the settlement of a Transaction resulting from circumstances beyond our control, or the failure of any other person or party (including you) to perform all necessary steps to enable completion on the settlement date. Our obligation is only to pass on to you, or to credit your account, such deliverable documents or sale proceeds (as the case may be) as we actually receive*." (12 (3))

In the circumstances here, I'm satisfied there was a delay in IG receiving the money for the sales of the shares, so it wasn't responsible for the delay in settlement. And I'm satisfied IG didn't cause any delay in crediting Mr K's account with the sale proceeds, once it received them.

But I do think IG should have made things clearer for Mr K. It's trade account history shows settlement at T+1 and Mr K had to phone IG to find out why the trades didn't settle when he reasonably expected them to. The explanation he was given in the phone call was different to the one set out in IG's final response letter. This all resulted in unnecessary distress and inconvenience for Mr K. I think it's fair and reasonable that IG pays Mr K £150 to compensate him for that distress and inconvenience.

Responses to my provisional decision

IG agreed with my provisional decision.

Mr K said he didn't think £150 was enough to compensate him for the level of distress and inconvenience he'd been caused, for around a year since he'd sold the shares. He said he'd had to invest a lot of time and effort to pursue a resolution, including spending time explaining the SEC settlement regulations to caseworkers.

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 reconsidered the level of compensation, taking into account Mr K's response to my provisional decision.

I appreciate it was frustrating for Mr K not to receive the sale proceeds when he expected them, and to receive wrong and conflicting information from IG. As I noted in my provisional decision, Mr K hasn't made us aware that the mistake led to any financial loss and neither has he made us aware of any significant impact that the mistake had. I'm sorry we weren't able to resolve matters for him any sooner, but I can't award him compensation for his time in pursuing his complaint with us. Taking everything into account, my conclusion hasn't changed – I find £150 is fair and reasonable compensation in the circumstances.

My final decision

My final decision is that IG Index Limited should pay Mr K £150 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 August 2025.

Elizabeth Dawes
Ombudsman