DRN-5769914

The complaint

Mrs M complains that Halifax Share Dealing Limited, trading as Lloyds Bank Direct Investments ("Lloyds"), wouldn't sell one of her shareholdings.

She says she wants the shares sold and the proceeds credited to her account.

What happened

Mrs M has an execution only share dealing account with Lloyds. In 2018 she purchased 275 shares in a company which I'll refer to as "A". In September 2024 she tried to sell the shares online but received a message telling her to phone Lloyds. When she phoned, she was told A shares had been delisted and that Lloyds didn't deal in that market. But that, if she found another broker who would sell the shares, it could transfer the shares to that broker.

Mrs M complained. She said she was aware there was a period when UK brokers couldn't trade in Swiss shares, but that the restriction had ended. And she said that, if Lloyds could transfer the shares, it must also be able to sell them.

Lloyds said there had been a demerger in October 2022. Mrs M received one new share (which I'll refer to as "B") for every 20 A shares she held. She said it had been made clear that B shares couldn't be traded through Lloyds because it was a Swiss stock which Lloyds' share dealing platform didn't support any more. Lloyds said it didn't tell Mrs M about the change of status of her existing holding of A shares because it wasn't contractually obliged to inform her of any events, other than corporate actions.

Our investigator didn't recommend that the complaint should be upheld. She thought Lloyds had provided a fair and reasonable explanation why it couldn't sell the shares and that it had told Mrs M how she could transfer the shares to a different broker.

Mrs M didn't agree and asked for an ombudsman to decide her complaint. In the meantime, in May of this year, Mrs M contacted us to let us know that she'd been able to sell her holding of A shares – she noticed Lloyds was quoting a price and she was able to sell online. She thinks Lloyds changed its policy and decided to trade through the German exchange because she'd asked for her complaint to be passed to an ombudsman. She said she still can't sell her holding of B shares.

My provisional decision

When the complaint was passed to me, I asked Lloyds to clarify some information about the explanation it had provided. And I asked it why it hadn't told Mrs M when A shares were able to be sold again and why she still can't sell her holding of B shares.

Lloyds said my questions weren't relevant to the case, so didn't answer them, saying that it's communications had been clear. And it said it wouldn't consider any separate issues as part of this complaint.

As Lloyds didn't provide the information I'd asked for, I issued a provisional decision based on the information I had. I thought Lloyds should pay Mrs M £300 compensation and I explained why. I said:

> Lloyds, along with other EU brokers, faced restrictions on trading Swiss shares from 2019. As the events were outside of Lloyds' control, I'm satisfied that there wasn't anything it could do to facilitate the sale of Mrs M's holding of A shares.
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> Mrs A says that, if Lloyds could transfer her shares, then it must've been able to sell them. But Lloyds was only prevented from trading in Swiss shares through an exchange. So it could have transferred the shares to another broker. But, unless the new broker was a non-EU business, it presumably would've faced the same restrictions. So I think it was unlikely Mrs A would have had much success in finding a broker able to sell her shares.
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> Mrs M had an execution only agreement with Lloyds. This meant Lloyds wasn't responsible for providing advice to Mrs M. As an execution only investor, it was Mrs M's responsibility to keep up to date with what was going on with her shares and I don't find Lloyds had an obligation to contact her to tell her she wouldn't be able to trade A shares.
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> But I do find that, when Mrs M phoned Lloyds to sell A shares, Lloyds should have provided her with clear and accurate information. I don't find that it did. It told her – more than once – that A shares had been delisted and were of no value.
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> I find this wrong information caused some distress to Mrs M as her shares had been worth around £11,000 and Lloyds wrongly told her the shares were now worthless.
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> When Mrs M complained, Lloyds should have done a better job at explaining the correct position to Mrs M. It told her that "*Swiss stocks could only be traded on the SIX Swiss Exchange, which is not a market Lloyds share dealing platform supports anymore*". This suggested Mrs M would never be able to sell her shares through Lloyds. But, from the evidence I've seen, it looks more likely than not that Lloyds usually conducted all Swiss stock trades through the German XETRA Stock Exchange ("GXSE"). Whilst the restrictions meant Lloyds couldn't trade the shares through the GXSE either, it was likely that it would be able to trade if and when the restrictions were lifted.
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> I think Lloyds should compensate Mrs M for the distress and inconvenience the wrong information caused her. I think in the circumstances, £200 is fair and reasonable.
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> Mrs M told us she was able to sell A shares in May 2025. I can see from the contract note that the sale was dealt through the GXSE which supports what I've concluded above. Mrs M was upset that Lloyds didn't tell her the shares were tradeable again – she found out by accident when she attempted an online sale. I asked Lloyds about this, but it said this is a separate complaint. I don't agree. This complaint is about the ability of Mrs M to sell her holding of A shares. Lloyds was aware from this complaint that Mrs M wanted to sell her holding and was aware that the complaint hadn't been resolved. In the particular circumstances here, I think Lloyds should reasonably have contacted Mrs M to let her know that the capability for selling A shares had been restored. She would then have been able to choose if and when she wanted to sell the shares.

I think the failure to treat Mrs M fairly and provide a good outcome, by failing to tell her that A shares were tradeable again, caused Mrs M further distress and inconvenience. I find it's fair that Lloyds pays her £100 compensation.

I would add here that there's nothing to suggest to me that Lloyds changed its policy in response to Mrs M asking for an ombudsman's decision.

Mrs M told us she is still unable to sell B shares but doesn't know why. I asked Lloyds about this, but it said it wasn't prepared to consider this issue as part of this complaint. I find it surprising that Lloyds couldn't tell us why Mrs M still can't sell B shares, after all it's a straightforward question and it's not unreasonable that Lloyds should give Mrs M the information she's requested. Furthermore, I find Mrs A's ability to sell B shares is so closely connected to this complaint (Lloyds quotes the information it gave Mrs M about B shares in its final response letter), that I think it fairly should be able to provide an explanation for us to pass onto Mrs M.

For these reasons I would ask Lloyds, in response to this provisional decision, to clearly explain why Mrs M can't sell her holding of B shares. I would expect the explanation to be clear about why there is a difference between the position of A and B shares. If Lloyds fails to provide this explanation, I will be minded to make a further award to reflect the distress and inconvenience this lack of explanation continues to cause Mrs M.

Responses to my provisional decision

Lloyds didn't agree with my provisional decision. It said, in summary, that:

- A shares had fully delisted from the XETRA in 2020. This meant A shares only had a Swiss listing. It required the Swiss restrictions to be lifted and the stock to relist on the XETRA before it could trade. This was the information it communicated to Mrs M.
- It would have been misleading to imply that sales through Germany might become possible, when the stock was no longer listed there.
- B shares still can't be sold because they only have a Swiss listing.
- All customers were notified on 1 May 2025 that trading on A shares on the German exchange had resumed. Mrs M received this notification but didn't read it.

We told Mrs M that Lloyds had notified her about the resumption of trading in A shares. And that this meant I wouldn't require Lloyds to pay her the £100 compensation I had been minded to award.

Mrs M replied to say, in summary, that:

- Lloyds hadn't been able to sell her holding of A shares since 2019. But it didn't make her aware of this until 2024, when she tried to sell the shares. And it was only when she received her October 2024 statement that the shares were written down to zero value.
- She was concerned when she was told during her phone call that she couldn't sell her shares, and her concerns were aggravated when it was suggested she could donate them to charity because they were worthless.

- The notification from Lloyds in May 2025 that she could trade A shares isn't relevant to her complaint. But the message it says it sent her was only visible recently - after this service told her it had been sent.

- Lloyds didn't give her clear or consistent information and she has had to spend time and effort dealing with this matter. So the full compensation of £300 should be awarded to her.

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.

In response to my provisional decision, Lloyds provided a clear explanation as to what happened here, and why, and answered my questions about the ability to trade A shares again and the position of B shares. It's disappointing it didn't provide this at an earlier stage, and before I issued my provisional decision, as this new information does change my conclusion.

Information about A shares before 2024

Mrs M says Lloyds should've given her information about her holding of A shares so that she knew – before 2024 when she tried to sell them – that they couldn't be traded. I set out in my provisional decision why I thought Lloyds didn't need to do this, and my conclusion hasn't changed.

Explanation given in 2024 for why A shares couldn't be sold

During Mrs M's phone call with Lloyds, it told her:

> "*It's been delisted from the market and we don't deal with that market."*

And in its final response to her complaint, it said:

> "*Swiss stocks could only be traded on the SIX Swiss Exchange, which is not a market Lloyds share dealing platform supports anymore."*

Whilst these statements were correct, I don't find they were clear enough. I say that because neither statement reflected the full explanation that Lloyds has now provided to us – namely that:

> *"…the stock had fully delisted from the Xetra in 2020, it was not simply restricted. The stock at this time ONLY had a Swiss listing……We required the Swiss restrictions to be lifted AND the stock to relist on the Xetra before we can [sic] trade and the first [Lloyds] heard about this happening was April 2025."*

So, whilst the position was the same – Mrs M couldn't sell her shares - I find the lack of a clear explanation caused her distress and inconvenience. I am satisfied the £200 compensation I was minded to award in my provisional decision remains fair and reasonable.

Communication about the ability to sell A shares in 2025

Mrs M says the ability to eventually sell A shares in May 2025 has nothing to do with her original complaint. This service has an inquisitorial remit, meaning we can consider the whole picture when we look at a complaint. Mrs M complained she'd been able to sell her holding of A shares. But, after referring her complaint to us, she found she was able to sell them, although she'd had no communication from Lloyds. I thought it was important we understood why and that I considered whether Lloyds had treated her fairly when trading became possible again.

With regard to the ability to sell A shares again, in my provisional decision I said Lloyds should've communicated this to Mrs M and that because it failed to do so it should pay her £100 compensation. In response to my provisional decision, Lloyds said it sent Mrs M an online notification on 1 May 2025. Mrs M says this wasn't visible to her. But I'm satisfied from the evidence Lloyds has provided that the notification was sent. In the circumstances, it wouldn't be fair to ask Lloyds to compensate Mrs M for her not knowing the shares could be traded, when I'm satisfied it communicated this to her.

B shares

Mrs M also told us she still couldn't sell B shares. I thought it would be helpful if, as part of our considerations, we asked Lloyds why B shares still couldn't be sold.

Lloyds has explained that B shares have only ever had a listing on the Swiss exchange. So, unlike A shares, B shares can't be sold through Lloyds, as originally set out in its email dated 11 October 2022.

My final decision

For the reasons I've explained, my final decision is that Halifax Share Dealing Limited, trading as Lloyds Bank Direct Investments, should pay Mrs M £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 24 September 2025.

Elizabeth Dawes
Ombudsman