

The complaint

Mr C complains that Embark Investment Services Limited, trading as Stocktrade, failed to follow his instructions on a rights issue.

Mr C would now like Stocktrade to recompense him for the investment losses that he says he's incurred because of their error.

What happened

In May 2024, as part of their plans to raise additional capital to support their planned growth, National Grid Plc (NGG) launched a rights issue. The offer gave shareholders the opportunity to buy more shares in the company, providing seven shares for every 24 held at an offer price of £6.35 per share.

As Mr C held an ISA dealing account with Stocktrade and also held NGG stock, he was able to take part in the corporate action but he needed to give his instructions to Stocktrade by 6 June 2024. After considering the terms on offer, as Mr C had sufficient cash in his ISA, he elected to accept the rights issue to buy the further shares in NGG.

In August 2024, Mr C logged into his dealing account and discovered that the rights issue hadn't been transacted as he thought he'd instructed. Shortly afterwards, Mr C decided to formally complain to Stocktrade. In summary, he said that he'd given his instructions to take part in the rights issue so was surprised the additional shares hadn't been allocated to him.

After reviewing Mr C's complaint, Stocktrade concluded they were satisfied they'd done nothing wrong. They also said, in summary, that having had their IT team look into matters for them, they'd discovered that Mr C had selected the 'take no action' option on the rights issue voting form and therefore, they were correct not to purchase any further shares for him.

Mr C was unhappy with Stocktrade's response, so he referred his complaint to this service. The complaint was then considered by one of our Investigators. He concluded that Stocktrade hadn't treated Mr C unfairly because from he'd seen of the evidence that Sharetrade had provided from their IT team, Mr C had selected the 'take no action' option rather than the purchase option. That meant, he said, Stocktrade hadn't done anything wrong.

Mr C, however, disagreed with our Investigator's findings. In summary, he said:

- Our Investigator had made the decision to not uphold his complaint on a single piece of evidence from Stocktrade's IT department.
- A screenshot only records one moment in a transaction and is too easy to recreate.
- An external IT service provider may have different motivations when providing

information compared to Stocktrade themselves.

- He expected the Ombudsman to fully investigate the issue by requesting full records.
- He and his wife (who has also raised a complaint about the same issue), acted independently in accessing their own accounts and processing the transaction to opt in to the rights issue.
- He and his wife are intelligent people so if they did select the wrong option, it's because Stocktrade's portal is "unclear, confusing or plain wrong".
- For them both to select the wrong option seems incredible to him.
- He didn't receive any confirmation of his instructions. And, as he's not opted out of receiving any such messages, the opportunity to correct the mistake made by Stocktrade was missed.

Our Investigator was not persuaded to change his view as he didn't believe Mr C had presented any new arguments he'd not already considered or responded to. Unhappy with that outcome, Mr C then asked the Investigator to pass the case to an Ombudsman for a decision.

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 have summarised this complaint in less detail than Mr C has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr C and Stocktrade in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened.

For me to be able to uphold Mr C's complaint, I'd need to be satisfied that Stocktrade have done something wrong, but from what I've seen of the evidence presented to me, that threshold hasn't been met. When Mr C logged into his investment account and tabbed through to the rights issue offer, he was presented with two choices – 'take no action' and 'take up offer – specify quantity'. Mr C says that he selected the 'take up offer' option and given he had sufficient monies within his account, he considered the matter dealt with.

Following Mr C's complaint, Stocktrade reached out to their IT team to review what instructions he'd given on the NGG rights issue. And, that review concluded Mr C opted for the 'take no action' pathway. Rather than using their own IT operatives, from what I've seen,

Stocktrade used a specialist external IT partner to undertake that review. So, I can't therefore conclude that the review undertaken wasn't completed to a sufficient standard.

Stocktrade's external IT partner has provided evidence of the choice that Mr C made, and to illustrate how an account looks where a consumer had opted in, they also provided evidence where a different client had decided to take up the offer. I'm of the opinion that given there were only two options to choose from, and both routes were unambiguous, I can't conclude that the wording was misleading or unclear.

Mr C states that he didn't receive any confirmation of his instructions after providing Stocktrade with his wishes. And, as he's not opted out of receiving any such messages, the opportunity to correct the mistake made by Stocktrade was missed. However, if Mr C noticed that he didn't receive any confirmation of his instructions following the completion of the rights issue screen, he missed the opportunity to put the breaks on the position that he found himself in. I say that because from what I've seen, Mr C is an execution only customer, which means Stocktrade are simply required to highlight details of any rights issues, signpost the deadlines and then follow his instructions once provided. To be clear, just because Stocktrade didn't write to Mr C following his instructions, it doesn't necessarily follow that they've done something wrong.

I think on balance, it's more likely than not that Mr C simply selected the wrong option ('take no action'). As I've seen nothing to persuade me that Stocktrade failed to follow the instructions they were given, I'm not upholding the complaint.

My final decision

I'm not upholding Mr C's complaint and as such, I won't be instructing Embark Investment Services Limited, trading as Stocktrade, to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 October 2025.

Simon Fox
Ombudsman