

## The complaint

Mr S complains IG Markets Limited has failed to take action and support him when making a compensation claim in relation to shares it held on his behalf. He says its inaction has directly impaired his ability to pursue a compensation claim.

## What happened

Since 2021, Mr S has had a share dealing account with IG and its held investments on his behalf.

Mr S held shares in a US stock, I'll refer to as RMO. Following a takeover in 2022 his shares were converted to be held with the company that acquired RMO.

In 2024, following litigation in relation to RMO, a scheme was established to compensate affected shareholders. As a previous shareholder of RMO, Mr S understood he was eligible to make a claim. In order to do this, he needed to provide information about his holding to support his eligibility for compensation. As his shares were held with IG he requested it provided support so he could send the necessary information to the scheme administrator.

In August 2024, the compensation scheme administrator informed Mr S his claim had been rejected, and further information was needed to resolve the issue and proceed the claim. Mr S contacted IG as he needed statement data to confirm his holdings at the relevant date as required by the scheme administrator. Mr S had a deadline of 29 August 2024 to provide this information, but this was extended. Throughout September and October 2024, Mr S was unable to acquire the proof needed from IG, and IG didn't directly send the proof of end holdings to the scheme. As Mr S didn't meet the information requirements before the scheme closed, he was unable to make a claim for compensation.

Mr S raised a complaint with IG. He was unhappy that it hadn't supported him, and this led to him being unable to pursue his compensation claim in respect of the RMO shares as part of the settlement scheme.

IG responded to the complaint but didn't uphold it. Mr S then referred his complaint to this service for an independent review.

I issued a provisional decision in July 2025. This is what I said:

*"Having reviewed the available evidence, I find there have been failings by IG and in my view the evidence does indicate it should have done more to support Mr S when he was requesting assistance with making his compensation claim. It is clear that he took the position he needed information from IG to support his claim, and I think this was a reasonable understanding based on the rejection letter he got from the scheme administrators. IG didn't deal with his requests in a timely or supportive manner. Ultimately this impacted Mr S's ability to make a compensation claim.*

*While IG hasn't accepted full liability, it has recognised that there are grounds to say it should bear some responsibility and as a result it has made an offer to compensate Mr S.*

*For clarity, I agree with the points made by the investigator about whether IG's action support that it was working in the best interests of its clients. I acknowledge the points it makes about interpretation of the communications from the scheme administrators and the mitigating factors it has put forward, but overall, I'm not persuaded this is sufficient to say IG has acted fairly in the way it has supported Mr S to fulfil his objectives.*

*As an offer has been made by IG, I will focus my findings on whether the offer made is fair and reasonable in the circumstances.*

*IG has made an offer that seeks to compensate Mr S for his losses as a result of him not being able to make a claim under the RMO compensation scheme. It has now received confirmation from the scheme administrators of the amount that was distributed to eligible investors who were able to join the scheme (10.99% of recognised loss of each claim). From the information provided, it hasn't been disputed that Mr S would have been eligible to receive this, and I haven't been provided with anything to suggest he wouldn't. So, I consider this as the financial loss Mr S has suffered as a result of the failings by IG that prevented him from joining the scheme.*

*I appreciate Mr S may have expected, at the time he was trying to join the scheme, that a greater element of his losses would be covered by it. But this isn't something that IG had influence over. In his more recent submissions, Mr S has claimed that IG is responsible for entire recognised loss of his share value. He says IG's negligence prevented him from properly engaging in the RMO compensation scheme, submit a complete claim and if necessary, participate in a trial to pursue full financial recovery. While I acknowledge the points he makes, I don't agree that IG is responsible to the extent Mr S claims. It is not responsible for actions of third parties – particularly the alleged misrepresentations that resulted in the establishment of the RMO compensation scheme. I don't think it is reasonable to require IG to cover financial losses that were beyond what Mr S would have received from the scheme, had he been able to join it.*

*IG has confirmed that it is committed to resolving this matter fairly and providing Mr S with the appropriate compensation based on actual settlement distribution data rather than estimates. I note the information IG received from the scheme administrator explained that the initial distribution from the RMO scheme was 10.99%. It isn't clear if there will be any further distributions from the scheme. But if the scheme does repay further compensation at a later date to eligible investors, I think IG would be responsible for paying anything Mr S would have received (based on the eligibility criteria and his holdings) from future distributions made.*

*I've also considered the compensation for the impact of IG's failings on Mr S. IG has agreed to pay him £400 to recognise the distress and inconvenience caused throughout this process. Mr S feels that a more significant amount of compensation is needed to recognise the full impact. Mr S has provided a significant amount of information regarding the impact on him and his family.*

*I have reviewed everything Mr S has provided. He has explained the significant frustration and upset caused to him through his dealings with IG. He has also detailed the problems he had with communicating with IG and the time spent on telephone calls that weren't productive. He says there has been an extreme impact on his family and provided details of health problems suffered by his wife that they directly link to the issues with IG. He has indicated due to IG's prolonged failure to respond appropriately to numerous requests and its refusal to provide crucial documentation within a reasonable timeframe, his family have endured persistent and escalating distress over several months. And this caused hardship and disrupted their lives. As mentioned above, he has provided details of specific impact on his wife's mental health and the associated impact this has had on their family life.*

*Firstly, I'd like to acknowledge that this has clearly been an extremely difficult time for Mr S and his family. I've considered everything he has told us about the impact of the situation on him and his family. I would like to clarify that I can only award compensation for the impact on Mr S as he is the complainant that is eligible to bring this complaint about IG. This means I can't award compensation for the direct impact on his wife and children, but I can consider how this impact has had a knock-on effect on Mr S personally. I'm also conscious IG is not responsible for actions of third parties that contributed to Mr S's overall losses. So this is a factor when thinking how much of the overall impact is IG's responsibility, and in turn whether compensation is due (and if it is, at what level).*

*Having considered everything, it is clear a compensation award is warranted. IG's failings have caused Mr S sustained distress spanning over several months. The issues have also had a profound effect on Mr S's family life. He has also spent a considerable amount of time trying to obtain what should have been straightforward information and his dealings with IG have clearly caused him a significant amount of frustration. IG has agreed to pay compensation, so I'm satisfied it does appreciate there has been an impact on Mr S. I've considered the level of compensation that is appropriate to reflect the severity of what's happened and the impact on Mr S that IG is responsible for. Having done so, I find compensation of £750 is in line with our approach in the circumstances. I understand Mr S is seeking extensive compensation, but for the reasons I've explained, I think this level of award for the impact on him as the eligible complainant in the dispute with IG is fair and reasonable"*

Mr S responded to say he didn't agree with the provisional decision. In summary he said:

- The decision does not address the central issue in his complaint — IG's failure to provide essential documentation in a timely manner, which denied him the opportunity to fully participate in the RMO class action compensation scheme, particularly the trial process to pursue full financial recovery.
- Had IG fulfilled its duty of care and acted in a timely and professional manner, he would have been able to properly engage in the RMO compensation scheme, submit a complete claim and if necessary, participate in the trial process to pursue full financial recovery.
- It is important that the structure and mechanics of the RMO class action scheme be correctly understood. The scheme required IG, to submit specific documents (such as trade statements and proof of final holdings) to the scheme administrators within a deadline. Without these, he was unable to make a valid claim or opt into the trial process.
- Participation in the trial was a key part of the scheme, offering the possibility of significantly higher recoveries than the standard settlement. The initial distribution rate was 10.99% of the "recognised loss" for eligible claims. But this figure only applies to those who did not or could not participate in the trial, and it is not reflective of full potential recovery. The RMO Plan of Allocation itself clearly states that the 10.99% is not based on market loss, not an estimate of recovery after trial, and simply a way to divide settlement funds among passive claimants. It excludes those who proceeded to trial, where the compensation could have been far greater.
- The reliance on the 10.99% figure as a benchmark for fair compensation misses the key point that he was unable to pursue the more favourable trial option entirely because of IG's inaction. IG's own compensation offer (which he declined as insufficient) was higher than the 10.99% and in itself reflects acknowledgment that his claim had merit beyond the passive allocation.
- At no point did he allege that IG was responsible for misrepresentations that led to the formation of the compensation scheme. That allegation clearly relates to RMO

Corporation, whose misconduct led the U.S. Securities and Exchange Commission to initiate the class action lawsuit and compensation process. To suggest that he holds IG responsible for the actions of third parties is an irrational misrepresentation of his position.

- He believes there are legal errors within the provisional decision. He says there has been a failure to understand the distinction between IG's responsibility and RMO's wrongdoing, which led to an evaluation of the complaint on an entirely incorrect basis. As a result, the complaints real subject matter - IG's negligence in failing to provide timely documentation - was not adequately investigated or addressed. Also, the investigation did not assess how IG's delay directly caused his exclusion from the trial path where higher compensation was available.
- The proposed distress and inconvenience award of £750 fails to reflect the serious mental and emotional toll this situation has had on his health, wellbeing and his family including the financial and emotional pressure placed on his wife and children. It has been an immensely difficult and prolonged ordeal.

IG responded and provided further comments for me to consider. In summary it said:

- It acknowledged the RMO settlement scheme may have included provisions for court review as an alternative to accepting the administrative settlement. But doesn't think this alters IG's responsibilities or liability in this matter. It referred to the terms in the customer agreement to support why it didn't have obligations to become involved in litigation or the settlement scheme. It also said IG has no obligation to facilitate or guide clients through class action litigation processes.
- It maintains, when IG was properly notified of the specific requirements from the scheme, it responded appropriately, and doesn't think it caused delay.
- The 9 August 2024 deficiency notice sent by the scheme reveals that Mr S's claim contained multiple serious defects that were unrelated to IG's documentation – including an incorrect share quantity. These errors in the original claim submission suggest that the difficulties were not solely attributable to IG's documentation, but due to multiple factors.
- Brokers provide account documentation when requested but do not serve as legal advisors or litigation coordinators. So expecting IG to guide Mr S's litigation strategy would not be its obligations.
- It disagrees that it should be liable for any future scheme distributions. It said remedies should restore the complainant to their original position, not create ongoing obligations that exceed the original harm, and creating an open-ended liability for hypothetical future payments goes beyond reasonable redress.
- It believes its offer to make the payment of the actual settlement amount (10.99% of recognized loss = \$4,497.61) with 8% simple interest from the distribution date, and £750 for distress and inconvenience (accepting the Ombudsman's increased amount) is fair.

### **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 considered the further responses to my provisional decision, alongside all of the other submissions made. In his response Mr S has commented on the legal basis of several aspects of the findings. This service is an alternative to the courts, and the decision I reach is based on what I find to be fair and reasonable in the circumstances. When considering what's fair and reasonable, I have to have regard to relevant law and regulations, but I am not necessarily bound to follow them.

Firstly, Mr S believes IG's negligence in failing to provide timely documentation - was not adequately investigated or addressed. During our investigation of the complaint, the investigator found IG had failed, in its core duty to assist Mr S in obtaining the information he required to assist him in his intention to join the RMO scheme, and this negatively impacted him. I agree with the conclusion the investigator reached for the same reasons. And I accept in failing to provide confirmation of his holding at the date stipulated in the scheme, Mr S has suffered harm. Although it has provided a defence for its actions and responsibilities, IG did ultimately accept it did hold liability and agree to pay compensation as a result of this. So, I'm satisfied that this has been investigated and considered when reaching my decision. In other words, I'm accepting it as a finding of fact that IG ought to have provided information more quickly to support him in making his claim, as Mr S argues. As this is common ground now, I don't think it needs to be interrogated in any greater detail than I have done. For this reason, the focus of my findings has been on how the failing identified should be remedied.

I've considered the clarification Mr S has provided about the basis of his complaint and why he doesn't believe the provisional findings fully take into account the consequences of IGs actions. He has been clear that he believes IG's failure to provide essential documentation in a timely manner, denied him the opportunity to fully participate in the RMO class action compensation scheme. He says IGs errors have prevented him participating in the trial process to pursue full financial recovery as he considers this would likely have resulted in higher compensation being available. Mr S says that the exact quantification of his loss from losing the opportunity to pursue the trial option is impossible and legally irrelevant. He says it to assume he would have received no more than 10.99% of his loss is unsupported, speculative and inconsistent.

I appreciate had Mr S submitted an accepted application; he wasn't restricted to joining the passive settlement scheme and would have had the option to pursue the trial path individually. In making my finding on how IG should put things right, I need to provide a remedy that I consider to put Mr S back in the position as he would have been but for IGs errors. In the circumstances of this complaint there is some uncertainty to exactly what would have happened, and the extent of the losses that could be recovered. The finding I set out to pay redress in line with the settlement scheme distribution, wasn't to say this was the maximum Mr S could possibly receive, but rather I find that this is a reasonable basis for remedying the errors I've identified.

Mr S has been clear that in his view IG's errors have prevented him from pursuing a full financial recovery. But he does acknowledge that trial outcomes are inherently case specific and impossible to know with certainty what the outcome might be. It is Mr S's belief this would be a more favourable outcome for him, and his focus is on this loss of opportunity.

In the situation where a firm's failing has resulted in a lost opportunity, I need to evaluate the counterfactual i.e. what would have happened. I'm required to reach a finding based on the balance of probabilities, in the circumstances here, this means whether on the balance of probabilities Mr S's loss would have been more than that which IG's offer compensates him for.

I note Mr S has provided analysis and opinion on US class action settlements. He also explained in detail why he believes the trial path had potential for him to receive more than the scheme provided to passive allocation. He refers to the principle of loss of opportunity being the basis for awarding compensation beyond that set out in my provisional decision.

I have considered the submissions Mr S makes here. While this evidence sets out the potential for favourable outcomes for individuals in US class action litigation, I don't find this persuasive when deciding what fair redress should be in the individual circumstances of this

complaint. Within the submission made, I haven't seen evidence relating to successful trial claims relating to RMO. So it isn't persuasive here partly because Mr S hasn't, for example, demonstrated the outcomes of those who did opt for the trial route, and how frequently those routes were successful in gaining a larger level of compensation for claimants.

My decision isn't seeking to find the most advantageous outcome for either party but impartially deciding a fair and reasonable outcome in an informal manner. In my view the evidence relating to the settlement scheme is a strong indicator of the type of compensation Mr S would have received. There is uncertainty regarding the outcome of the trial path, and there is the potential for Mr S to incur legal costs too, so there isn't in my view strong enough evidence to change my finding on this point. Or put another way, I don't think this tips the balance towards Mr S recouping more than offered had he taken the trial path. While I'm not saying Mr S couldn't have received a higher alternative pay out from pursuing the trial route, I still think the redress I set out in my provisional decision is a reasonable basis for remedying this complaint. So, my finding remains, the redress in line with the scheme settlement is fair.

I accept Mr S's point that he hasn't alleged that IG was responsible for misrepresentations that led to the formation of the compensation scheme. This wasn't something I was intending to suggest. It is not in dispute that IG had no involvement in the establishment of the compensation scheme, or the circumstances that led to it being required.

I also acknowledge the point Mr S makes regarding attributing responsibility to IG for the actions of third parties being incorrect. He says this is a misinterpretation of his complaint. For clarity, I'm only considering the actions of IG when reaching my decision on this complaint. Clearly there are other parties involved in the broader circumstances of what happened to Mr S's investment. But the point I make is there are factors outside of this complaint which directly link to the situation that has resulted in Mr S's losses and the impact that this has had on him. There would be no complaint about IG but for these factors.

Mr S has disagreed with the amount of compensation I've suggested to recognise the extent of the emotional and practical impact on him as a result of IG's handling of the situation. I've considered the additional points he's made. As explained in, my provisional findings, I do fully empathise with him, and clearly this has been an extremely difficult time for him and his family. But I've not been persuaded to alter the compensation amount I set out in my provisional decision (for the same reasons).

As noted above, I acknowledge IG has provided further submissions about its liability. I have considered these, but I note that it has accepted some fault as it has made an offer to Mr S. The offer to meet the amount Mr S would have received from the settlement scheme with interest, is in line with what I decided in my provisional decision. So I don't find these points change my findings.

But IG does dispute the requirements set out in the redress for it to be liable for any future payouts from the RMO settlement scheme. At present I haven't been provided with any information to indicate that further payments are pending, but equally I don't think it is definite that there won't be any further payments. I understand IG's concerns about creating an ongoing obligation and an open-ended liability for hypothetical future payments. But I don't agree that this suggestion exceeds the original harm. In particular, I've found that but for IG's errors, Mr S would have been able to be part of the passive settlement scheme. And would have been in line for any future payments, should there be any. I'm therefore satisfied that this potential future loss flows clearly from the errors I've found IG made, and it is therefore fair to require it to make further payments against that loss in future should they arise. While it is preferable that the complaint is resolved now with no further liability, in the

particular circumstances of this complaint, I find the approach I set out to be fair and reasonable.

### **Putting things right**

In assessing what would be fair compensation, I consider that my aim should be to put Mr S as close to the position he would probably now be in but for IG's failings that prevented him joining the RMO compensation scheme.

I am satisfied that what I have set out below is a fair and reasonable way of compensating Mr S.

### **What must IG do?**

To compensate Mr S fairly, IG must:

- Pay Mr S the amount of compensation in line with what he would have received if his claim had been processed under the RMO compensation scheme rules. IG has contacted the scheme administrators to establish what this figure would have been – and the initial distribution is detailed as 10.99% of the holdings at the relevant time. IG should pay this now and undertake to pay any further distributions that may be made by the scheme, in line with any directions made by the scheme in respect of future payments to investors that Mr S would be eligible for based on his circumstances.
- Pay Mr S interest on the amount above at a rate of 8% simple from the date the scheme made the distribution to investors (which I understand to be 27 December 2024, but IG should verify this with the scheme administrators) to the date of settlement.
- Pay Mr S £750 for the distress and inconvenience suffered.

### **My final decision**

I uphold the complaint. My final decision is that IG Markets Limited should pay the amount calculated as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 November 2025.

Daniel Little  
**Ombudsman**