

## **The complaint**

Mr W has complained that Embark Investment Services Limited trading as Stocktrade ('Stocktrade') did not inform him that an appropriateness form he had submitted had been actioned.

The appropriateness form was required for Mr W to be allowed to purchase 5000 shares within his pension.

Mr W submitted the form but was not told it had been approved until around 14 months later, with Mr W stating that this lack of communication led to a delay in the purchase of the shares.

Mr W has said that this delay caused him a financial loss.

## **What happened**

Mr W contacted Stocktrade on 20 February 2023 with a view to purchasing 5000 shares in Nippon Active Value within his SIPP.

Mr W was informed that due to the rules associated with his employer, he could not make the purchase until he had completed an appropriateness form. Mr W completed and returned the form the same day. Stocktrade confirmed receipt of the form – again on the same day - but did not state whether it had been approved or not.

Mr W heard nothing further about the appropriateness form until he queried this with Stocktrade in April 2024.

On 4 April 2024 Mr W was informed the appropriateness form had been reviewed and added to his account. The next day (5 April 2024) Mr W purchased the 5000 shares at their current market price for around £8,900.

Mr W subsequently registered a complaint with Stocktrade. The complaint was upheld with Stocktrade initially offering Mr W £50 for the distress and inconvenience caused.

Unhappy with the complaint response received, Mr W referred his case to this service in April 2025. Whilst the complaint was being investigated, Stocktrade increased their offer to £200.

As Mr W remained unhappy with the offer, our investigator looked into the complaint.

Our investigator concluded that Stocktrade had not acted fairly, and that if they had communicated appropriately with Mr W in February 2023, he would most likely have purchased the 5000 shares around 21 February 2023, rather than in April 2024.

The investigator recommended redress to compensate Mr W for the delayed share purchase and concluded that the £200 Stocktrade had offered to compensate Mr W for the distress the issue had caused was fair.

Stocktrade accepted the outcome outlined by the investigator however Mr W did not.

Whilst Mr W accepted elements of the compensation method outlined by the investigator, he felt additional compensation was also due. Mr W said that as well as the difference between the February 2023 and April 2024 share price, interest to this amount should be added from April 2024 to date. In addition, Mr W did not believe the £200 offered to cover the distress and inconvenience caused was sufficient.

As our investigator was not minded to change their opinion the case was forwarded to for a decision.

I initially issued a provisional decision which said:

*“Overall, I have reached the same outcome as our investigator and for broadly the same reasons.*

*The documentation on file shows that Mr W submitted the appropriateness form to Stocktrade as soon as possible. It also shows that as soon as Mr W was made aware he could purchase the 5000 shares he took action.*

*As part of their submissions to this service Stocktrade have accepted that the appropriateness form was actioned on 21 February 2023 but that they did not inform Mr W of this as they should have done.*

*Given this, our investigators conclusion that had Stocktrade informed Mr W that the form had been assessed and approved on 21 February 2023 he would have purchased the Nippon Active Value shares at that time is a reasonable one.*

*Both Mr W and Stocktrade have accepted this timescale as the basis for redress. As such, what I have gone on to consider, is what specific redress would be appropriate in this instance.*

*In any case where I conclude that a business has made an error, the redress instructions I give are intended to place a consumer as close as possible to the position they would most likely be in were it not for that businesses error.*

*Dealing firstly with the delayed share purchase, in line with what our investigator has already said, I agree that it is most likely that Mr W would have purchased these shares on 21 February 2023 rather than on 5 April 2024.*

*As such a comparison between the price Mr W could have purchased the 5000 shares for on 21 February 2023 and the price ultimately paid on 5 April 2024 should be made.*

*The difference between these two values represents any loss Mr W may have suffered.*

*As part of the response to our investigators findings Mr W has said interest should be added to this loss amount between April 2024 and today.*

*I however disagree, and do not believe any further interest is due.*

*The difference between the two share prices accurately compensates for the delay period. Between April 2024 and now the funds have been invested in the Nippon Active Value shares, with returns earned based on their performance over time. To add interest to the share price difference would allow Mr W to earn both interest and investment growth at the same time.*

*Moving on to the £200 offer to compensate Mr W for the distress and inconvenience caused, I again agree with our investigator, and have concluded that this does represent a fair and reasonable amount.*

*I note that there are examples of what consumers may expect with regard to awards for distress and inconvenience on our website, and that Mr W believes his complaint merits a higher award based on some of those case studies and other example cases.*

*However, in line with what our investigator has already said, we consider each individual case based on its own unique circumstances. In this case whilst the share purchase was delayed for over a year, Mr W was not aware of any issue during this time. As such Mr W did not suffer any distress and inconvenience during this time.*

*In addition, whilst the issue has impacted the value of Mr W's pension, it has not had any day-to-day impact on Mr W's finances as the pension itself is not being accessed currently.*

*I wish to be clear that I do not want diminish the distress that the issue has caused Mr W, and I can see from the documentation Mr W has provided to this service that he has put significant effort into making his complaint and providing both Stocktrade and this service with detailed evidence highlighting the issues he faced.*

*However, notwithstanding the amount of work Mr W has put into documenting the issues, I remain of the opinion that, in this case, the £200 amount identified by our investigator is a reasonable amount to compensate Mr W for the distress and inconvenience the delayed share purchase caused."*

I went on to provide redress instructions and asked both parties to provide any additional commentary or evidence they wanted me to take into consideration before I issued my final 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.

In response to the provisional decision issued Stocktrade confirmed they were willing to accept the outcome issued.

Mr W provided additional commentary and said he remained of the opinion that interest should be added to the share price difference between April 2024 and today. Mr W also remained of the opinion that the award for distress and inconvenience should be increased.

With regard to the addition of interest to the difference in investment purchase price Mr W has said that his SIPP overpaid for the Nippon Active Value shares in April 2024 and that whilst the redress recommended returned the overpayment amount (of roughly £1,700), this £1,700 would, from April 2024 to today have earned interest within the SIPP.

I have considered this argument carefully and have concluded that whilst it does have merit, no further interest is required to adequately compensate Mr W in this case.

I say this because whilst it may be the case that due to the delay Mr W potentially lost out on the opportunity to earn interest on the £1,700 from April 2024 to today, he also gained the opportunity to earn additional interest on the full investment amount which should have been deducted from his SIPP had the shares been purchased in February 2023.

In any case where I conclude that a business has made an error, and must take action to correct that error, the instructions I give are intended to place that consumer as close as possible to the position they most likely would now be in were it not for that businesses error. This aim takes into account that it is not always possible or practical to place a consumer back into the exact position they would have been in.

In this case, as well as the share price difference, I have considered whether it would be appropriate for me to ask Stocktrade to consider any interest Mr W may have earned on the share price difference from April 2024 to today, taking into account and deducting from this amount any interest or investment growth earned on the February 2023 investment value between February 2023 (when these funds would have been deducted from the SIPP) and April 2024 (when they were actually deducted from the SIPP).

However, given the uncertainties involved I have concluded that the redress instructions I have previously provided, factoring in the calculable share price difference and ignoring and possible interest / investment implications, is the fairest and most reasonable way of correcting the impact of the delays suffered.

I have gone on to consider Mr W's comments about my £200 award covering the distress and inconvenience this issue has caused him.

Mr W provided a timeline of his contacts with Stocktrade in trying to resolve the issue (including both emails and telephone calls) as well as referencing our own website which provides examples and case studies giving examples of what consumers may expect when it comes to awards for distress and inconvenience. Additionally, Mr W included two specific cases where higher amounts were awarded.

I have considered all the information provided by Mr W but remain of the opinion that the £200 amount remains fair.

In reaching this decision I do not want to diminish the amount of work Mr W has put into making his complaint and chasing its conclusion, it is clear that a significant amount of time and effort has gone into documenting the issue he faced.

However, whilst I have considered the case studies detailed on our website, and the individual cases referenced by Mr W, I would again point out that each case is considered on its own unique circumstances.

In this case whilst the error was made in 2023, Mr W was not aware of this until 2024. Additionally, whilst Stocktrade were unable to resolve the issue to Mr W's satisfaction they did engage with Mr W throughout the complaints process albeit without success. I would also point out that whilst Mr W may have suffered a financial loss (and found this to be distressing) any loss would not have any impact on Mr W's day-to-day finances given these losses were limited to a pension account which does not support Mr W current expenditures.

Overall, whilst I appreciate Mr W feels his experience here warrants a higher award in respect of the distress and inconvenience caused, I remain of the opinion that the £200 documented in my provisional decision remains fair.

The redress instructions below remain unchanged from those already provided.

### **Putting things right**

To compensate Mr W fairly Stocktrade must:

- Compare the cost of 5000 Nippon Active Value shares had Mr W been able to purchase them on 21 February 2023 with the cost of those shares when they were purchased in April 2024.
- If the earlier notional purchase price was lower than the eventual purchase price, then this difference represents the loss suffered by Mr W.
- If there is a loss, this amount should if possible be paid into Mr W's pension plan.
- The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it conflicts with any existing protection or allowance.
- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr W as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mr W has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.

Pay Mr W a total of £200 compensation for the distress and inconvenience caused.

### **My final decision**

In line with the commentary above I am upholding this complaint against Embark Investment Services Limited trading as Stocktrade and require them to calculate and pay redress in line with the methodology outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 December 2025.

John Rogowski  
**Ombudsman**