

The complaint

Mr K complains that Interactive Investor Services Limited (“IISL”) didn’t credit his account with the payments he sent. He says he missed out on an investment opportunity as a result.

What happened

Mr K has an execution only share dealing account with IISL. Mr K made four transfers of 5,000 euros each on 1, 2, 3 and 4 April 2025 from his bank account to his account with IISL. Three of the payments were credited to his account on 11 April; the other payment was returned to his bank.

IISL said the payments did not include all of the information it needed to correctly allocate the payments to his account - Mr K’s account reference number was missing. In these circumstances, where all required information isn’t received, IISL’s procedure is to hold the payment for 10 working days and then, if it hasn’t heard from the person who made the payment, return it. But, in Mr K’s case, it only returned one of the payments and was able to successfully apply the other three. It accepted this may have caused confusion and paid Mr K 95 euros for the distress and inconvenience caused.

Our investigator initially didn’t recommend that the complaint should be upheld because she didn’t think Mr K had included his account reference in the payments. But Mr K provided evidence from his bank to show that the payment instructions had been correctly completed and included his account reference.

Having received this information, the investigator recommended that the complaint should be upheld. She didn’t think it was clear what Mr K would have done if the payments had credited his account without delay. But she was satisfied Mr K had been deprived of his money and that IISL should pay him interest at 8%. And she thought a total of 200 euros fairly reflected the distress and inconvenience caused.

IISL agreed with our investigator’s conclusion.

Mr K didn’t agree. He said, in summary, that:

- By the time three of the payments were credited to his account (11 April), it was too late to place the trades he’d intended. He wanted to buy two shareholdings before the ex-dividend dates.
- He didn’t contact IISL to tell it he planned to use the money to trade because he expected the money to be credited to his account in time. And, once he realised there had been a delay, he could’ve contacted IISL but, in his experience, he knew he’d have to wait too long for a full reply.

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.

Mr K's payments included all the required information. So, in line with the information given to him by IISL, he reasonably expected the money to be credited to his account by the close of business on the day following each of the payments. Having seen the evidence from Mr K's bank, which was provided during our investigation, IISL accepts it made a mistake.

My aim is to put Mr K in the position he'd be in now if the mistake hadn't happened – in other words, if the payments had credited his account on 2, 3, 4 and 7 April.

Mr K has given us details of the trades he says he would have placed. I've considered this carefully but can't conclude that this is more likely than not what he would have done. I say that because he told us he wanted to buy the shares before the ex-dividend dates. So the purchase orders were time critical. But Mr K didn't contact IISL to find out why his payments hadn't reached his account until 18th April. It seems to me that, if he'd ear-marked the money for those particular purchases, he'd have been in contact with IISL much earlier than that to find out why receipt of his money had been delayed.

I accept that, had Mr K contacted IISL at an earlier stage, it's likely IISL would've told him the payments hadn't been completed properly. But, whilst he still wouldn't have been able to place the trades, his intention would have been clear. And, whilst the ex-dividend dates had passed by the time the money was credited to his account, if Mr K had wanted to make an investment, I think, in all likelihood, he would've gone ahead with that investment as soon as he could, even if he wouldn't have received the dividend payments.

But, recognising that Mr K has lost out because there was a delay in the money being credited to his account, I think the investigator's recommendation is the fair – IISL should pay interest at 8% to reflect the payment delays and pay Mr K additional compensation to reflect the distress and inconvenience caused.

My final decision

My final decision is that Interactive Investor Services Limited should:

1. Pay interest at 8% simple per annum on each of the three payments that were delayed – from the date the payment should have been credited to his account (the next business day) to the date the payment was actually received. *
2. Pay interest at 8% simple per annum on the payment that was returned to Mr K's bank account – from the date Interactive Investor Services Limited received the payment to the date it was re-credited to Mr K's bank account. *
3. Pay Mr K 105 euros (in addition to the 95 euros it's already paid him) for the distress and inconvenience caused.

* HM Revenue & Customs requires Interactive Investor Services Limited to take off tax from this interest. Interactive Investor Services Limited must give Mr K a certificate showing how much tax it's taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 April 2026.

Elizabeth Dawes
Ombudsman