

The complaint

Mr J complains that when he instructed InvestEngine (UK) Limited to transfer his ISA from another provider, it didn't instruct an in-specie transfer. He said his existing provider sold his investments without his authority. He wanted the transfer reversed but InvestEngine wouldn't agree.

He wants to be put back in the position he was in before the transfer instruction.

What happened

Mr J has a stocks and shares ISA with another provider who I'll refer to as "H". He wanted to transfer his ISA to Investengine. He says he wanted an "in-specie" transfer, but his investments were sold, which he never agreed to.

He complained to both businesses and asked for the transactions to be reversed. H said it could only reverse the transactions at no cost to Mr J if InvestEngine accepted responsibility for making a mistake. Investengine said its platform only supported Exchange Traded Funds ("EFT's"). It said the ISA transfer form which Mr J completed made it clear that investments would be sold if they weren't compatible with its platform.

Mr J referred his complaints about Investengine and H to this service.

One of our ombudsmen has issued a final decision about Mr J's complaint against H. He decided H hadn't done anything wrong and didn't uphold the complaint.

Our investigator didn't recommend that the complaint about Investengine should be upheld. She didn't think InvestEngine had done anything wrong, and that the transfer request included the condition that the investments would be sold if they couldn't be transferred.

Mr J didn't agree. He said that as soon as he realised his investments had been sold, he contacted both parties to say the sales were unauthorised and that he wanted the transactions reversed. He says the failure to act on his instructions has resulted in a financial loss of around £15,000.

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.

This complaint is only about whether InvestEngine did anything wrong. A decision about Mr J's complaint about H has been sent to both parties. As that decision was final, I can't comment on it further.

When an ISA is transferred, it is the receiving business who initiates the transfer and gives the necessary instructions to the existing ISA manager. I appreciate Mr J didn't intend for his investments to be sold. But, when he completed the transfer instruction, he signed to confirm that he understood that:

“InvestEngine only supports EFTs available on its platform. If I hold other types of investments, or EFTs not offered by InvestEngine, my current provider will sell them during the transfer. The money will then be sent to InvestEngine and invested in my chosen portfolio.”

And he authorised:

“My existing ISA provider to sell investments where needed and send the cash proceeds to InvestEngine.”

I’m satisfied that Mr J authorised the sale of his investments which weren’t EFTs. InvestEngine had told Mr J what investments were supported on its platform, and where to access a list of those investments. I don’t find it was InvestEngine’s responsibility to provide Mr J with advice about the transfer and I think it gave him enough information for him to understand the transfer process. When Mr J gave the transfer instruction, InvestEngine was obliged to carry out that instruction and I don’t find there was any obligation on it to contact him to check any information or to make sure he knew his existing investments weren’t supported by its platform.

Mr J contacted InvestEngine and asked for the transaction to be reversed. InvestEngine cancelled the transfer as requested. But Mr J’s investments had already been sold. As InvestEngine hadn’t done anything wrong, I don’t find it needs to reimburse Mr J for any losses he’s made as a result of his investments being sold.

My final decision

For the reasons I’ve explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr J to accept or reject my decision before 9 April 2026.

Elizabeth Dawes
Ombudsman