DRN-6055840

The complaint

Mr N has brought a complaint against Trading 212 UK Limited ("T212") for alleged delays in transferring his Stocks and Shares ISA (the "ISA") from Vanguard Asset Management Limited ("Vanguard") to T212's trading platform and is seeking compensation.

What happened

On 7 January 2025, Mr N contacted T212 and sought to initiate an ISA transfer from Vanguard to T212. Specifically, Mr N sought to transfer holdings in the following Vanguard funds: (1) Vanguard FTSE All-World UCITS ETF ("VWRL"), (2) Vanguard FTSE Japan UCITS ETF ("VJPN"), (3) Vanguard FTSE Emerging Markets UCITS ETF ("VFEM"), (4) Vanguard FTSE Developed Asia Pacific ex Japan UCITS ETF ("VAPX"), and (5) Vanguard S&P 500 UCITS ETF ("VUSA") (collectively the "Vanguard Holdings").

Unbeknownst to Mr N, the process initiated was actually a general investment account ("GIA") transfer rather than the Stocks and Shares ISA account transfer that he had intended (the "ISA transfer"). The process ultimately failed as Mr N did not have a GIA account with Vanguard.

After the initial transfer request, Mr N contacted T212 and Vanguard for updates about the proposed transfer.

Vanguard informed T212 that the process had failed on 21 January 2025 and, ultimately, T212 informed Mr N about the issue on 31 January 2025.

Mr N initiated the transfer process again on 31 January 2025 but was told by T212 this could not go through because the VWRL, VJPN, VFEM and VAPX holdings could not be transferred in-specie (the "Four Vanguard Holdings"). T212 informed him there was no such issue with the VUSA holding. Mr N initiated the transfer process again on 5 February 2025, with those shares that could not be transferred in-specie first sold by Vanguard for cash which would then be transferred to Mr N's ISA account at T212.

Vanguard sold the shares in early February 2025. In March 2025, Vanguard and T212 sought to agree dates for the transfer. Both Vanguard and T212 state that the transfer was further complicated by issues concerning the correct paperwork that needed to go with the transfer (specifically concerning the Transfer History Form ("THF")). The transfer was ultimately concluded on 31 March 2025.

Throughout this process Mr N chased T212 and Vanguard repeatedly for an update and to help the transaction move on.

Mr N raised a complaint with T212 regarding its role in the delay. In response, T212 sent a letter dated 4 February 2025 in which it accepted that T212 had not acted promptly and had given Mr N incorrect information about the status of the transfer, which ultimately contributed to the delay. It offered Mr N £50 compensation as a "*goodwill gesture*" and in "*full and final settlement of your complaint*".

Mr N rejected this offer. On 10 February 2025, T212 said it was willing to increase its offer to £100 (based on internal T212 communications this took into account the issues regarding the in-specie transfer) – again this was termed a "*goodwill gesture*". Mr N said he would be willing to receive the £100 and it was duly sent to him.

Amidst continuing delays with the ISA transfer, Mr N lodged a complaint with T212 complaining about the delay, the confusion around the in-specie transfer, and said the £100 T212 had offered was not sufficient compensation and that he felt he had lost out on "*profit*s".

T212 then appeared to issue another response letter dealing with the complaint dated 4 March 2025, offering £100 "*in full and final settlement*" of the complaint. There is no indication that Mr N accepted or received the further £100 offered.

Our investigator ultimately upheld Mr N's complaint, and said he should be compensated for any lost interest due to the delay caused by T212 but also concluded that the £100 offered by T212 was fair.

Mr N ultimately rejected the investigators view and asked for his case to be reviewed by an ombudsman. It is also noted that T212 repeatedly raised the issue that it considered Mr N had accepted £100 in full and final settlement of the dispute and so felt the investigator's view was incorrect.

As an agreement couldn't be reached, the complaint was referred to me for an Ombudsman's decision. I issued my provisional decision on 19 December 2025. I've included an extract from it below.

"*Mr N's receipt of £100 from T212*

As indicated, T212 has suggested the view was incorrect because Mr N had accepted £100 in full and final settlement of the dispute. However, I do not think Mr N's acceptance of that money barred him from making a valid complaint with the Financial Ombudsman Service to receive more compensation.

The right to seek redress for any harms caused by another party is fundamental. There would therefore need to be clear and unambiguous evidence that a wronged party had, on an informed basis, agreed to dispense with that right. I do not see that there is such evidence in this case.

The 4 February 2025 letter that contained the initial offer of £50 said that the payment would be in full and final settlement of the dispute, but it did not explain what was meant by this and in particular what this meant in terms of Mr N's ability to make a complaint to the Financial Ombudsman Service. The letter ended by stating that "if you remain unhappy… you have the right to refer your complaint to the Financial Ombudsman Service" but it did not explain that if Mr N accepted the offer, this would mean he could not in fact make a complaint to the Financial Ombudsman Service. Therefore, even if Mr N had accepted the £50 offer, I don't think there would be sufficient evidence to demonstrate that Mr N had agreed to dispense with his right to complain to the Financial Ombudsman Service.

Additionally, I note that Mr N rejected the £50 offer. Subsequently, T212 offered Mr N £100 as a "goodwill gesture" in webchat communications, but there was no reference in those communications to it being in full and final settlement of the dispute (which, in any event, I don't think in itself would have been sufficient in these particular circumstances) and that Mr N would not be permitted to complain to this service if he accepted it. I therefore don't think Mr N's subsequent acceptance and receipt of the £100 could be reasonably interpreted as

Mr N giving up his right to make a complaint with the Financial Ombudsman Service for additional compensation.

In a letter dated 4 March 2025, T212 offered Mr N £100 in full and final settlement of the dispute. However, this letter suffers from the same lack of clarity issues as the 4 February 2025 letter. In any event, there is no evidence Mr N accepted that £100 that was offered in that letter. It is also unclear whether the £100 offered here was meant to be in addition to the £100 which Mr N had received or whether this was simply a delayed formal confirmation of the received £100.

In addition, the fact that Mr N brought and then maintained his complaint with this service and has maintained that he believes he has not been adequately compensated, further reinforces my view that there was no agreement to dispense with his right to bring a complaint to us.

For these reasons, I don't think Mr N should be barred from bringing his complaint to us.

Delays during the period 7 January to 5 February 2025

For the period between 7 January 2025 and 5 February 2025, I find that Mr N and T212 were ultimately responsible for the delays to the transfer process.

During his initial complaint call with this service, at 3:46 Mr N said that he had initiated the transfer incorrectly. However, in a web user chat with T212 dated 5 February 2025 he suggests he mentioned "Stock & Shares ISA" and then selected "Stock ISA" when dealing with the chatbot. The implication being that Mr N had made the right selections and the error was not his. Unfortunately, Mr N has been unable to provide evidence to corroborate his account.

In contrast, T212 has been able to provide evidence to support its position that Mr N made the incorrect selection. As set out in T212's FRL dated 4 March 2025, data from T212's "Back Office" appears to confirm that "the request was made from [Mr N's] GIA account". In light of this disparity in evidence and Mr N's less than clear position on the mater, I've concluded that Mr N did inadvertently make the incorrect selection on 7 January 2025. Thus, neither T212 nor Vanguard is responsible for the delay caused by the initial incorrect selection.

After that, I note that Mr N repeatedly contacted T212 and gave them enough information to understand that Mr N had intended to and wanted to do an ISA transfer rather than a GIA transfer. In particular, on 15 January 2025, Mr N contacted T212 asking about his "inbound ISA share transfer". Far from informing Mr N that a GIA investment had been initiated, it suggested his ISA transfer would be completed by 7 February 2025 at the latest (thereby giving him misleading information). Further, on 20 January 2025, Mr N claims he contacted T212 and mentioned "Stocks and Shares ISA" and selected "Stock ISA" when dealing with T212's chatbot (notably, again, he was not informed that no ISA transfer had been initiated).

In light of this, I think T212 ought to have acted before 21 January 20215 (when it was informed by Vanguard that the transfer could not go through) to inform Mr N that he had incorrectly initiated a GIA Transfer and then helped him initiate an ISA Transfer. In particular, this should have happened by 15 January 2025. The period from 7 January to 14 January 2025 I attribute to Mr N himself for incorrectly initiating the transfer process.

Vanguard has accepted responsibility for a delay of 3 business days from 16 January to 21 January 2025 in its Complaint Timeline on the basis that from 16 January 2025 it ought to have been in a position to inform T212 about the fact the transfer could not go through.

However, I think T212 already had enough information from Mr N, i.e. by 15 January 2025, to have concluded there was a mistaken transfer afoot and taken steps to correct the matter and so I don't think it would be fair and reasonable to hold Vanguard responsible for this delay.

Vanguard has also accepted that during this period Mr N was incorrectly informed that he would be contacted if there were any issues with the transaction, when in actuality it would have been its policy to only inform T212 (which it eventually did). Whilst I agree this was a mistake, this did not cause any delays.

T212 further delayed matters by failing to inform Mr N that Vanguard had rejected the transfer as Mr N did not have a GIA with them. In particular, Vanguard informed T212 on 21 January 2025 that "we have to reject your application at this time because the clients[sic] does not hold a GIA with us". On a number of occasions following this, Mr N contacted T212 to get an update on his transfer but on each occasion T212 failed to inform him of it and in fact gave him incorrect information.

In particular, on 24 January 2025, Mr N enquired with T212 about "my inbound ISA share transfer". He was told, incorrectly, that it was still with Vanguard and was even given a timeframe as to how long the ISA transfers might take.

Further, on 27 January 2025, Mr N says he contacted T212 and again mentioned "Stocks and Shares ISA" and selected "Stock ISA" when dealing with T212's chatbot. T212 accepts - in its 4 February 2025 letter – that in response Mr N was "incorrectly informed that the transfer was still with Vanguard as they were experiencing a delay".

I also think T212 was responsible for the delay from 31 January 2025 (when Mr N initiated an ISA transfer again from T212 account (this time Mr N selected an ISA transfer and avoided a mistaken GIA transfer) to 5 February 2025. The evidence Mr N presented of screenshots of the ISA transfer process via the T212 online platform would in my view have given Mr N the impression that he could in fact make an in-specie transfer of all five of the Vanguard Holdings, without any conditionality or provisos about this not being an option for certain shares.

I have asked T212 to explain how Mr N could have known that the Four Vanguard Holdings could not be transferred in-specie (and so would first need to be liquidated before being transferred in cash format) before he attempted the transfer. Unfortunately, it has not indicated it would be possible at all. In particular, it has not provided evidence that customers are warned either during the online transfer process or in its terms and conditions (or via any other medium) that certain equity assets may not be transferred in-specie. Given Mr N had no way of knowing that he would need to sell the Four Vanguard Holdings first, which ultimately delayed matters when the transfer could not take place as Mr N had requested, I think it fair and reasonable to attribute the delay from 31 January to 5 February to T212. Vanguard cannot be held responsible for any delay here.

On the basis of the above, I conclude that T212 was responsible during this period for a delay of 21 calendar days (from 15 January to 5 February 2025).

As touched upon above, Mr N repeatedly chased T212 and Vanguard for updates or generally contacted them about the transfer on multiple occasions in January and in early February 2025.

<u>Delays during the period from 6 February to 31 March 2025</u>

For the period from 6 February to 31 March 2025 I find that further avoidable delays

occurred. However, whilst T212 remained involved in the transfer, I find that the delays that occurred from 6 February 2025 were the fault of Vanguard.

Vanguard had sold the Four Vanguard Holdings on 6 February 2025, and delayed contacting T212 to agree settlement dates. The settlement dates that were agreed in early March 2025 were missed primarily due to the actions of Vanguard – largely due to Vanguard delaying the transfer of the cash proceeds from the sale of the Four Vanguard Holdings. Further delays occurred due to Vanguard initially not supplying the required THF form, and when it did provide one, completing it incorrectly. Due to these delays, the transfer did not fully complete until 31 March 2025.

Vanguard has accepted it was responsible for significant delays during this period. I agree with that conclusion.

I think a reasonable timeframe to have completed the transfer was three weeks from 6 February 2025, which I base on the following (1) the relatively small value and quantity of shares involved in the transfer, (2) the fact the Four Vanguard Holdings were sold with ease by 6 February and were ready for transfer from that date, (3) a significant portion of the transfer was for cash which is usually a speedier process, and (4) I see no significant or special circumstances that would have justified a drawn out process.

On that basis, I consider that the transfer should have been completed by 27 February 2025 (leaving aside the issue of the delays caused by T212 prior to 6 February 2025, which I address further below) but as it wasn't completed until 31 March, I consider Vanguard's actions caused a delay of 32 days.

Assessing appropriate compensation

Mr N should be compensated for any loss he has suffered as a result of the delays. However, as I have indicated above, it is clear that both T212 and Vanguard collectively share responsibility for the delays in the overall ISA transfer process. Whilst I have indicated that Vanguard is responsible for approximately 32 days of delay, it is also true (as mentioned above) that T212 was responsible for approximately 21 days of delay.

I think a fair approach to compensation would be to apportion liability based on the relative responsibility for the delays. Given the collective delay was 53 days, that means Vanguard is responsible for approximately 60% of the delay and T212 is responsible for approximately 40%. Accordingly, to the extent there is any loss suffered by Mr N, Vanguard should pay 60% and T212 should pay 40%.

When assessing financial loss, my role is to put Mr N in the position he would have been in had the transfer been completed on time. This requires the construction of a counterfactual scenario: namely, what Mr N would have done had the funds been available on 5 February 2025, rather than 31 March 2025. The exercise is necessarily artificial, but it must be grounded in evidence of Mr N's trading behaviour and the realities of market practice.

I don't accept that every trade after 31 March 2025 can be attributed to the delay. To allow such an approach would make any compensation too open-ended, speculative and remote from the actions of T212 and Vanguard. Instead, I think it appropriate to identify a reasonable trading window, that would have due regard to the time Mr N took to deploy the funds once they were received and what would be a reasonable timeframe for making trades given prevailing market conditions.

Mr N has indicated it took him about "23 days or so" to "get back into the market", although Mr N has not provided details of the trades he made (despite being requested to do so). He

indicated this timeframe was due to "market turmoil" at the time. I accept Mr N's explanation for the timing of the trades. In light of this, I think it reasonable to consider trades made within 4 weeks of 31 March 2025 (i.e. between 31 March and 28 April 2025) for the purposes of assessing loss. I think seeking to assess losses in respect of trades beyond that period becomes, as indicated above, simply too open-ended, speculative and remote.

Moreover, given that there was also market volatility in February 2025, it is reasonable to infer that, had the funds been available to Mr N on 5 February 2025, he likely would have traded in a similar period thereafter. I therefore think that the appropriate counterfactual trading window is four weeks following 5 February 2025 (i.e. from 5 February to 5 March 2025). Within that window it would be necessary to determine the price at which Mr N would have acquired the relevant shares. Given the volatility of the market during that period and given we cannot realistically determine precisely what day commensurate trades would have been made by Mr N in the counterfactual window, it would be artificial to select a single day's price. I think it would therefore be appropriate to take the average of the prices prevailing during the counterfactual window, thereby smoothing daily fluctuations and avoiding hindsight bias.

Accordingly, the measure of damages in respect of funds that were invested between 31 March and 28 April 2025 is the difference between (a) the average price of the shares during the counterfactual window (5 February to 5 March 2025) and (b) the actual price paid by Mr N for the shares. To the extent that trades were made outside the 31 March to 28 April 2025 window, they are excluded from the loss calculation.

In respect of any of funds that were not invested between 31 March and 28 April 2025, loss should be assessed by looking at any interest that would have accrued in the T212 ISA account during the core period from 5 February to 31 March 2025, less any interest accrued whilst the monies remained with Vanguard during the same period (which I understand to be approximately £50 according to Vanguard).

To the extent there are any gains and losses as between trades and interest, these should be netted against each other as appropriate to determine whether there has been an overall loss.

I do not see that there is any indication of loss in respect of the in-specie transfer of the VUSA holdings and think these should be excluded entirely from the loss calculation.

On the basis of the above, T212 should liaise with Vanguard and Mr N and determine what loss (if any) has been caused by the delay and pay its share of the loss (i.e. 40%).

Further, in light of the overall delays caused from 15 January to 5 February 2025, the incorrect and/or misleading information he was given on 15, 24 and 27 January 2025 regarding the transfer, and the overall negative impact this had on Mr N in terms of stress and anxiety, I do think the compensation of £100 offered by T212 was insufficient. I think T212 should instead pay Mr N £200 for distress and inconvenience. As T212 has already given Mr N £100, this would mean a further £100 should be paid to him."

I have received a response from Mr N in which he communicated his acceptance of my provisional decision. I have received no response from T212.

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.

As neither party has provided any information to challenge my provisional findings, I see no reason to depart from my provisional decision. So having reconsidered everything provided, I'm upholding the complaint in line with my provisional findings which now form part of this final decision.

Putting things right

Considering the delays it caused and the impact this had on Mr N, Trading 212 UK Limited should:

1. Pay Mr N 40% of any loss he may have suffered as a result of the 53-day delay using the redress methodology specified in my provision decision and reproduced above in this final decision.

2. Pay Mr N an additional £100 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and direct Trading 212 UK Limited to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 9 February 2026.

Zaib Malik
Ombudsman