

complaint

Mr R has complained that, in transferring stock of approximately £1,500 from a taxed investment fund ("SITP") to a non-taxed fund ("ISA") in June 2013, HSBC Bank Plc debited his taxed fund but his ISA did not show a corresponding credit.

He has asked HSBC to replace the amount missing from his ISA, plus interest to-date.

background

The adjudicator who reviewed Mr R's complaint felt it should not be upheld. He found that HSBC's records indicate that the trades had been recorded correctly and that Mr R's ISA had been credited with the correct number of units following the switch.

In response, Mr R did not accept the adjudicator's view. He said that *his* records which were taken from HSBC's transaction statements in June 2013 show that the total value of his unit holding across both accounts reduced by approximately £1,500 even allowing for daily changes in unit price.

As agreement has not been reached the matter has been referred to me for review.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The transaction statements from HSBC show that, in June 2013, Mr R asked for stock valued at £1,562 to be transferred from the SITP to his ISA. Mr R had recorded at the end of May 2013 that the value of his total shareholding was £34,186. These valuations are consistent with HSBC's records at that date.

The 'key features document' (KFD) for the two investments confirms that *"your investment will be switched as cash and is usually out of the market for approximately five business days....."*

Accordingly, HSBC sold 1,060 units in the SITP at a unit price of £1.474 on 5 June 2013, which it continued to hold as a cash credit of £1,562 in the SITP for five business days (until 11 June 2013). However, even though the total value of his SITP (including the cash credit of £1,562) largely remained unchanged, his unit holding had reduced from 2,891 to 1,831, which was worth £2,699 based on a unit price of £1.474 at that date.

In the meantime, HSBC credited Mr R's ISA with the cash sum of £1,562 on 7 June 2013, which purchased 1,070 units at the price of £1.459.

In accordance with the terms and conditions, on 11 June 2013, HSBC debited his SITP with £1,562 it had already credited to his ISA on 7 June 2013.

The actual number of units Mr R held in his SITP on 7 June 2013 was 1,831.

Also, while his unit holding in the ISA at that date was 19,899, this increased to 20,998 on 11 June 2013 when units were bought by the transfer of funds from the SITP. Based on a unit

price on 14 June 2013 of £1.44, HSBC calculated that the value of Mr R's total holding of 22,830 units was £32,875 which is consistent with his records at that date.

His valuation of the two investments on 31 May 2013 is also accurate for his unit holding of 2,891 and 19,899 respectively at a unit price of £1.493. The reduction in the value of these investments between 31 May 2013 and 14 June 2013 is accounted for by the change in the unit price from £1.493 to £1.44, and not because the ISA didn't receive the transfer of funds Mr R requested on 5 June 2013.

When Mr R recorded the position of his two investments on 7 June 2013, he *over-valued* his total unit holding by approximately £1,562 because his ISA had been credited with this cash sum by then, and it was also still held as cash in his SITP until 11 June 2013. In taking a 'snapshot' of the position with his two investments at that date, Mr R has temporarily *double-counted* his transfer of £1,562. Consequently, while the value of total unit holding appears to have reduced by approximately £1,562 by 14 June 2013, the figures he's recorded for the two investments at that date correctly represented his overall position.

On balance, I'm satisfied that HSBC dealt correctly with the transfer of funds between the two investments in June 2013 and that Mr R hasn't suffered the loss he has claimed.

my final decision

My final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 4 January 2016.

Kim Davenport
ombudsman