

complaint

Mr C complains that Talos Securities Limited, trading as Selftrade, introduced a management charge in 2009 without informing him. He says he was not aware of this until a further change to charging was made in May 2012. Mr C would like Selftrade to refund any charges already made and return his shareholding to him in a paper format without further charge.

background

An adjudicator considered the complaint, and concluded that it should not be upheld. In summary, he said:

- Selftrade did all it reasonably could to ensure Mr C was aware of the changes being made to his account.
- It was Mr C's responsibility to read any correspondence received from Selftrade, and to monitor his account.
- The introduction of a revised charging structure was a legitimate exercise of Selftrade's commercial judgement.
- He did not see any reason why Selftrade should waive its standard fee of £20 per line of stock to return the shares to Mr C in a paper format.

Mr C did not accept the adjudicator's view and said, in summary:

- He did not consider that the changes were communicated in a fair and reasonable way – the statement insert sent in 2009 was hidden in with other correspondence.
- It was not reasonable to send correspondence to the message box associated with his account. No correspondence was sent to his home address or to his home email account.
- He does not accept that £20 is fair reflection of the cost involved with certifying his shares and returning them to him.

my findings

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

Like the adjudicator, I consider that the introduction of the annual charge was a reasonable and legitimate use of Selftrade's commercial judgement. It was not obliged to continue offering the same service or making the same charges for its service indefinitely. So the key issue to determine is whether Selftrade took reasonable steps to make Mr C aware that it was introducing the charge.

Selftrade informed its customers of the introduction of the annual charge in a number of ways. Its 2009 annual statement (which was sent in May 2009) included a notification that an annual management charge was going to be introduced. This was a separate document from the statement, entitled "*important information about changes to our services*". The document explained that the fee would be taken in August 2009. It also explained that all future communication in relation to the account would be sent to the message box associated with the account, unless it was specifically asked to do otherwise. Before the first charge was deducted a message was sent to the account message box warning of its introduction. Subsequent account statements showed the annual charge being taken.

I appreciate that Mr C considers that the notification of the introduction of the annual charge given in May 2009 was hidden. But I do not think that it was. It was given in a separate document to the statement, which was described as containing important information about changes to the service Selftrade provided. I am therefore satisfied that the notification was given in a reasonable way.

Mr C has said that he did not read messages sent to the account message box, and I have no reason to doubt this. But Selftrade was providing an online service and did inform Mr C in May 2009 that it would no longer send things through the post, and instead use the account message box. Also, like the adjudicator, I consider that there was some responsibility on Mr C to monitor his account. If he was no longer receiving post in relation to the account, I consider it is reasonable to say that he ought to have checked his account online or contacted Selftrade to query its status.

In summary, I am satisfied that Selftrade took reasonable steps to make Mr C aware of the introduction of an annual management charge, and I do not consider that it can reasonably be held responsible if Mr C did not become aware of the charge until receiving notification of a further change on May 2012.

I understand that Mr C feels that the charge of £20 that Selftrade makes for removing a shareholding out of his account and into a certificate in his name is unreasonable. But there is work involved in doing this – it requires the transfer out and re-registration of the line of stock. I do not therefore consider that it is unreasonable for Selftrade to make a charge for carrying it out.

my final decision

For the reasons given, I do not uphold Mr C's complaint against Talos Securities Limited trading as Selftrade.

John Pattinson
ombudsman