

complaint

Mr G has complained about the way Halifax Share Dealing Limited (Halifax) handled the transfer of his ISA portfolio from another financial business (business A).

background

In February 2017 Mr G set up an online share dealing account with Halifax. He wanted to transfer his ISA portfolio from business A to Halifax. He held his portfolio in cash as well as stocks and shares.

The transfer was completed towards the end of February 2017. Then following payment of a dividend a few months later Mr G checked his account and discovered that his portfolio had been sold before being transferred, which was not what he wanted.

When Mr G complained to business A he was told it had been instructed by Halifax to sell the shares and transfer them as cash to the new account.

When Mr G approached Halifax he was told that he had completed the wrong form which indicated his portfolio was to be transferred in its entirety as cash.

Mr G disagreed that he had completed the wrong form. He said he had requested the forms from Halifax and completed the one he was sent. He also said the form was mis-leading and that Halifax should have checked how the transfer should have taken place. He also felt that the fact business A had telephoned Halifax to double check the transfer should've been enough to alert Halifax to look closer at the transfer which should have identified the problem.

The complaint was investigated by one of our adjudicators who felt it should be upheld. He didn't think it was fair to hold Halifax responsible for Mr G telling it he had a cash ISA with business A – Halifax hadn't given him any advice or guidance about making the transfer. He also said it wasn't clear Mr G had incurred a financial loss as he could've repurchased the shares at a lower price when he realised what'd happened. But while Halifax hadn't directly instructed business A to sell the shares he did think Halifax should've been aware something might not be right when business A asked it about re-registering the content of the ISA. That wouldn't have been necessary if it was just a cash ISA. He therefore suggested Halifax pay compensation of £250 to Mr G.

Halifax didn't agree with the adjudicator's outcome. It said there wouldn't have been any reason to question Mr G's instructions to transfer a cash ISA when it was contacted by business A. It feels all it did was confirm to business A what Mr G had told them – and business A hadn't queried the instruction or raised any concerns. Halifax didn't think it would be fair or practical to ask a business to check with a client that the instruction they provided was what they had intended.

Mr G also wasn't happy with the assessment. He felt by not awarding what he felt was his full financial loss the adjudicator was implying he was almost "guilty". He felt he had been accused of completing the wrong form but he said he didn't ask for any specific form. All he did was explain to Halifax what his holdings consisted of and then completed the forms Halifax sent to him.

As no agreement could be reached, the complaint has been passed to me to review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusion as the adjudicator.

For me to be able to uphold this complaint I need to be certain that Halifax had done something wrong which caused Mr G's holdings to be transferred as cash rather than as shares and cash as he has explained he wanted.

Mr G completed the ISA transfer form Halifax sent to him online. But he completed the cash ISA form. This is the form that Halifax processed and completed in the usual way, which in my view is reasonable given that was the form Mr G submitted.

I can't therefore hold Halifax responsible for a mistake Mr G made which ultimately gave the wrong instructions. It's not unreasonable that Halifax was guided by the form that was completed. That is why different forms exist for different types of transfers and I think it's reasonable it relies on its customers to provide correct information in the correct format. I appreciate that Mr G felt the form was mis-leading but having looked at the form myself I can see that under the *transfer instruction details* the type of ISA to be transferred was ticked as being a cash ISA. This is therefore hard to ignore in the process of making my findings.

I know Mr G thinks that Halifax should have picked up on his mistake and noticed that his account contained shares as well. But I don't think this is practical nor is it feasible in every transfer request given much of this process is likely to be automated. So I think it's reasonable it relies on the information it receives from its customers.

However given these specific circumstances I think the fact business A contacted Halifax does bear noting. While when Halifax questioned would have just seen on its system that a cash ISA transfer form had been completed by Mr G, I think the fact business A called to question the transfer and mentioned re-registration should have been picked up by the call handler. I don't think such questions from a transferor business is normal so it's reasonable to expect the call handler to have thought twice about the situation which could have possibly rectified the problem before it actually became one. Therefore, because of this specific point, in this instance I think the call should have prompted the call handler to think a bit more about this specific transfer request. Because this didn't happen I think this needs to be recognised. So I agree with the suggestion already made that Halifax pay Mr G £250

my final decision

For the reasons explained above my final decision is that I uphold this complaint, but only in part.

To put things right Halifax Share dealing Limited should pay Mr G £250.

Under the rules of the Financial Ombudsman Service, I'm required to Mr G to accept or reject my decision before 18 October 2018.

Ayshea Khan
ombudsman