

## **complaint**

Mr R complains that Foresight Group LLP failed to deal properly with his application for shares in a venture capital trust (VCT). Because of this, he's lost £3,000 tax relief.

## **background**

An adjudicator considered Mr R's complaint, but didn't think it should succeed. In summary, he said:

- Foresight made no error handling Mr R's share application form. He was asked to remit the funds and send the application form by post or hand deliver it to Foresight's receiving agent. But he didn't do so correctly and chose to submit the form by email instead.
- Mr R also used an incorrect email address when sending the application. So it wasn't received by Foresight's receiving agent in any case.
- Mr R was not sent any acknowledgement or confirmation the application form had been received by the receiving agent.
- In the circumstances, the adjudicator didn't think Foresight or its receiving agent was responsible for Mr R missing the deadline for share registration.
- Foresight had not acted outside the share placement terms or instructions requested in the documentation.
- While Mr R had sent the correct money to the receiving agent by electronic transfer, that wasn't sufficient as the application form hadn't been submitted correctly.
- Foresight was unable to allocate shares to anyone who had not sent in an application form correctly.

Mr R responded to disagree with the adjudicator. He said he would accept:

- The VCT shares backdated for the 2015/2016 tax year, as this was his last chance in view of his age.
- He wanted some compensation for loss of £3,000 tax rebate.
- He had sent the money to purchase the shares, and this made Foresight responsible. It should provide him with the shares.

As the matter remains unresolved, it's been referred to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's not in doubt that Mr R wanted to invest in the Foresight VCT for the 2015/2016 tax year. He sent £10,000 to the receiving agent by electronic means. He also completed an application form on 28 February 2016.

But while the money was received by Foresight's receiving agent, the application form wasn't. Mr R didn't send it by post or deliver it by hand as the application stated. Instead, he sent it by email. Unfortunately, Mr R used an incorrect email address. This was for a completely different business, although it had a very similar name to the receiving agent.

On the whole, I think this was an innocent error on Mr R's part. But the result was that the application form didn't arrive at the receiving agent. Without this, Mr R couldn't be allocated shares in the VCT.

I appreciate this is an unfortunate situation. But in order to uphold Mr R's complaint, I must find that Foresight did something wrong. For the reasons I've explained, I'm unable to do so.

Foresight has offered to either return Mr R's money, or to allow him to purchase shares in a VCT for tax year 2016/2017. But it cannot backdate the share allocation, as Mr R has suggested. Also, Foresight has explained HM Revenue and Customs won't permit tax relief to be granted in these circumstances. It's for Mr R to decide which of these options he prefers.

**my final decision**

I do not uphold the complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 December 2016.

Doug Mansell  
**ombudsman**