

complaint

Mr A complains that ITI Capital Limited ("ITI", which was trading as Walbrook Capital Markets at the time of the events) has debited his trading account, following the correction of some errors, when it should not have done so. He is also unhappy with the length of time it has taken ITI to respond to his queries and complaint.

background

Mr A has a trading account with ITI. Using that account, he took a long position in a call option. Later, he contacted ITI and instructed it to take a short position of the same size in the same call option, with a view to closing the long position. However, due to an error, which had led to Mr A's original position being mislabelled, a short position in a different call option was taken. That left Mr A with two open positions in different call options – one long and one short.

When the issue came to light, after Mr A contacted ITI to query things, it placed some corrective trades on Mr A's account. Following this, Mr A was left with no position in the call options. After the corrective trades were placed, Mr A was left with a profit of £550. ITI has calculated that he would have made a profit of £500, had the error not happened, and he had been able to close his position as originally intended. ITI refunded the commission it would have charged Mr A on the trades, which was about £70.

When Mr A saw a statement for his account he noticed some transactions on 30 March which he felt had created a debit to his account which he had not authorised. Mr A queried this with ITI then contacted us a few months later, having received no reply.

ITI told us it was still trying to work out how the two different call options got mixed up, and said it was willing to offer Mr A £250 compensation for the upset caused. It pointed out that Mr A had made a greater profit than he would have, had the error not happened, and that it had waived its commission on the trades. It also told us it did not think it had made an incorrect debit from Mr A's account. It said Mr A was not looking at all the positions when concluding there had been a debit.

Our investigator looked into things, and concluded that the £250 compensation ITI had offered was fair, in the circumstances. So ITI did not in his view need to do anything else.

Mr A did not accept the investigator's view. He said the incorrect debit amount was £680.40 - made up of £1746.60 less £1000.20 and £66.00. He did not think that amount should have been taken from his account. He also said the reason for the error happening appeared to have been retracted by ITI, so he wasn't sure what had happened. He said he would accept £1,250 to settle the complaint.

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 reached the same overall conclusion as the investigator.

Mr A has set out two issues. One relating to the level of service ITI has provided, the other to an amount he says was incorrectly debited from his account. I'll consider each in turn.

Whilst I appreciate it has taken time for ITI to try and find out what went wrong, and that the error may have been the result of incorrect data being provided by a third party, I do think it could have provided Mr A with a better level of service. It appears to have been Mr A, rather than ITI, that spotted the problem with the trades. And ITI could have kept Mr A up to date whilst it was looking into things. That's clearly had an impact on Mr A as he grew frustrated with the lack of reply from ITI. So I think it is fair for ITI to pay Mr A some compensation for the upset caused.

I know Mr A feels he should get more compensation than ITI has offered but I think the £250 it has offered for the upset caused is fair, in the circumstances. So I am not going to ask it to offer any more.

I've looked at Mr A's account statements, and all the information ITI has provided. Having done so, I am not persuaded that ITI has made an incorrect debit from Mr A's account, as he suggests. I appreciate the corrective trades mean the account statements aren't straightforward to read. But I think Mr A is looking at some of the credits and debits in isolation, rather than looking at all the credits and debits made to his account in relation to the trades, to get the overall picture. The available evidence shows the total credits to Mr A's accounts are greater than the total debits, overall. That is consistent with ITI's submission that Mr A has made a profit from the trades. So I am not going to ask ITI to make any further corrections to Mr A's account.

my final decision

For the reasons given I uphold the complaint, in part. ITI Capital Limited should pay Mr A the £250 compensation it has offered him for the upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 March 2018.

John Pattinson
ombudsman