

complaint

Mr T complains that TD Direct Investing (Europe) Limited ('TD'):

- charged a telephone commission rate, rather than a web commission rate on a share purchase he made in 2010;
- sent a contract note in 2014 saying shares he had sold were "ex-dividend". Mr T says he took this to mean he was not entitled to the dividend; and
- took too long to complete another share purchase on his behalf.

background

In 2010 Mr T bought shares using TD's telephone dealing service. A telephone commission rate was charged, rather than the web commission rate, as the purchase was made over the telephone. Mr T says that TD had agreed to refund the higher telephone commission it had charged, but it has not repaid this money.

TD says its records do not show it agreed to refund the telephone commission on this share purchase. It said, given the large size of the trade, it was likely that no Market Maker would have offered an electronic quote. As this was the case, it said it felt it was likely that Mr T chose to use its telephone service. It also said Mr T should have queried the commission in 2010, if he felt he had been over-charged.

In late 2014 Mr T sold shares using his TD share dealing account. The contract note set out that the shares were "ex-dividend". Mr T says he thought this meant he would not be paid the dividend due. Mr T says he had to call TD a number of times to confirm that he would be paid the dividend.

TD apologised for any mis-understanding. It said that the contract note set out the shares were ex-dividend because Mr T sold them after the ex-dividend date. It explained that if Mr T had bought the shares, rather than sold them, after the ex-dividend date he would not have been eligible for the dividend that was paid in December 2014, as he would not have been the beneficial owner of the shares on the date they went ex-dividend. TD offered to pay Mr T £50 for the poor customer service he received when he contacted it to check that he would be paid the dividend.

Mr T was not satisfied with TD's response and brought his complaint to this service. He also said he was unhappy with the time TD took to complete the sale of the ex-dividend shares and the subsequent purchase of shares in a different company.

Our adjudicator was of the view that the offer TD had made, to pay Mr T £50, was fair and reasonable.

With regard to the share purchase in 2010, she said that due to the time that has passed, it was not possible to fully establish why the trade could not be placed online. However, given the value of the order she was of the view that TD's comment that an electronic quote might not have been available was likely to be correct.

Regarding the contract note that set out the shares Mr T had sold were "ex-dividend", the adjudicator noted that Mr T was paid the dividend on the correct date. She said she did not agree that the contract note was wrong, or that there had been any attempt on TD's part to avoid paying the dividend that Mr T was entitled to.

After the sale of the 'ex-dividend' shares, Mr T purchased shares in another company. Mr T has said he was unhappy with the time TD took to place this deal. The adjudicator listened to

the call relating to this order. She said that although the call was over an hour long, much of the time was spent taking Mr T through how to place an order online. When this didn't work, the agent then had to call several market makers to place the trade over the telephone. As this was the case, the adjudicator did not agree that TD had acted incorrectly or that it had deliberately delayed the completion of the purchase.

Mr T also expressed his dissatisfaction with the fall in price of the shares he bought. He said TD should have suggested he speak to a financial adviser. The adjudicator noted the transaction was completed on an execution only basis and said Mr T was responsible for making his own investment decisions.

Mr T did not agree with the adjudicator's findings. He said TD had acted dishonestly and its actions need to be investigated by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusions as our adjudicator.

There is nothing that suggests a web commission rate was agreed in 2010. Given the size and value of the trade it is not unreasonable to assume that an electronic quote was not available. A contract note was produced the same day and set out that a telephone rate of commission had been applied. Mr T therefore had the opportunity to review his order at the time, and query the commission charged if he felt it was incorrect.

Mr T has said that if a contract note states "ex-dividend" it means he is not eligible for the dividend. As the adjudicator explained, this is not the case. It seems there was a genuine misunderstanding on Mr T's part and he incorrectly thought he would not receive the dividend payment. I can't agree that there was any attempt to withhold the dividend or to mislead Mr T about whether it would be paid to him.

I note that TD has offered to pay Mr T £50 for the poor customer service he received when he queried whether the contract note was correct. I am of the view that this offer is fair and reasonable.

I have also considered the length of time it took Mr T to purchase shares in another company after he had sold his ex-dividend shares. It is not in dispute that the call was over one hour long. Having reviewed the call, I don't agree that TD unnecessarily drew out the transaction. The agent tried to help Mr T to place the order online. When this was unsuccessful, he discussed other ways Mr T could complete the purchase. Mr T then chose to trade over the telephone which involved the agent calling several market makers. I am satisfied that the call, although longer than expected for Mr T, was not due to any malpractice on TD's part.

TD was not under any obligation to provide investment advice, or to suggest to Mr T that he got financial advice before proceeding. As the client of an execution only broker, it was Mr T's responsibility to make his own investment decisions.

Having carefully considered this matter I don't agree with Mr T's view that there was any wrong doing or dishonesty on TD's part. I understand that TD has offered a goodwill payment of £50 to Mr T. I leave it to Mr T to decide if he now wishes to accept this offer.

my final decision

For the reasons I've given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 4 September 2015.

Suzannah Stuart
ombudsman