

## The complaint

Miss E complains that Saxo Capital Markets UK Limited (Saxo):

- unfairly applied client custody fees to her account after it was transferred to Saxo in August 2017;
- failed to provide her with a copy of the terms and conditions that applied to her account; and
- incorrectly withheld tax on dividend payments she received.

To put matters right, Miss E wants Saxo to refund the client custody fees it has applied to her account, refund the withheld tax, and refund the interest it applied to her account when the cash account became overdrawn as a result of the fees it had applied.

## What happened

I understand that in mid-2017 Miss E's previous stockbroker contacted her to say that unless she closed her account, or moved it to another provider it would be transferred to Saxo. Records that have been provided to this service show that Miss E was provided with a link to Saxo's General Business Terms and she accepted these terms on 19 September 2017.

Miss E says that in July 2022, she logged onto her account and placed a trade to sell shares she held on Saxo's platform. Miss E says she didn't realise the sell order had been executed as she didn't receive a contract note but did receive a message setting out that Saxo required additional information for compliance purposes.

Miss E says she uploaded the required information by late August 2022. Having done so she says she then checked '*what was going on with my account generally*'. Miss E says she then noted that the trade she had placed in July 2022 had been executed. She said she also noted that Saxo had been taking a monthly client custody fee from her account and had incorrectly withheld tax on dividend payments she had received.

Miss E complained to Saxo. She said she hadn't agreed to its terms and conditions and, due to serious ill-health, had not previously been aware that it was applying custody fees to her account.

Saxo did not uphold Miss E's complaint. It noted that she had accepted its General Terms of Business in September 2017. It provided Miss E with another link to its General Terms of Business and to its fees and charges schedule that set out its custody fees.

Miss E was not satisfied with Saxo's response and referred her complaint to this service.

Having carefully considered Miss E's complaint our investigator said she didn't think Saxo had acted incorrectly or treated Miss E unfairly.

She said she was satisfied that Saxo had provided Miss E with its General Terms of Business and she noted that Miss E had accepted these on 19 September 2017. She noted that these terms set out that Miss E was required to pay fees and charges, and these were set out in Saxo's Commissions, Charges & Margin Schedule.

She also explained that the tax Miss E felt Saxo had incorrectly deducted was a withholding tax and had been correctly withheld, as the shares Miss E held were in an overseas company.

She noted that Miss E had explained that she had been very unwell. As Miss E had not made Saxo aware of this at the time, she said it couldn't reasonably have been expected to take this into account when Miss E's account was moved to Saxo.

Miss E did not accept our investigator's view. She asked for a copy of the evidence our investigator relied on and said she wanted to make further submissions to this service. This service has not received any further submissions from Miss E.

### **What I've decided – and why**

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

As Miss E has not made any further submissions to this service, I have reviewed all the information provided in connection with this complaint. Having done so I cannot reasonably uphold Miss E's complaint as I don't think Saxo has acted incorrectly in this matter. I'll explain why.

The information I have seen shows that Miss E accepted Saxo's General Business Terms on 19 September 2017. As this is the case, I cannot reasonably find that Miss E's recollection that Saxo failed to provide her with a copy of the terms and conditions that applied to her account is correct, as a link to the terms was provided to Miss E when she accepted Saxo's General Business Terms.

I note that the General Business Terms set out:

*24.1 The Client shall be obliged to pay to Saxo Bank the Commissions and Charges set out in the Commissions, Charges & Margin Schedule. The Commissions, Charges & Margin Schedule is available on Saxo Bank's website, [www.home.saxo](http://www.home.saxo), and may be supplied to the Client on demand.*

I am also mindful that Saxo's Commissions, Charges & Margin Schedule set out, under the heading, 'Custody Fee':

*A fee of 0.12% p.a. is charged on accounts with open Bond, Stock and ETF/ETC positions, with a minimum monthly fee of EUR 5 (or account currency equivalent). Fees are calculated daily but debited on a monthly basis. For more information about the custody fee, read these FAQs.*

As the custody fee was disclosed to Miss E and she accepted Saxo's General Business Terms, I cannot reasonably require it to refund the custody fees it has applied to her account.

I note Miss E has also said she feels Saxo should refund the interest it applied when her cash account became overdrawn because of the fees it had applied. But again, I must take into account that in Saxo's FAQs it set out:

*Please note that the fee can take your account's cash balance into a negative that will be subject to the negative net free equity interest charge (please see Interest Rates clause).*

I appreciate that Miss E has been very unwell. But as she accepted Saxo's General Business Terms in September 2017 and did not notify it until August 2022 that she had been unwell I can't reasonably find that it has acted incorrectly in applying the custody fees as set out in its Commissions, Charges & Margin Schedule or charging interest when her cash account became overdrawn.

Regarding the tax that was withheld on the dividends Miss E received, this was not in respect of any income tax that might be due on her dividend income. As our investigator set out, this was a withholding tax as the dividends paid were in respect of an overseas company. I therefore cannot reasonably require Saxo to refund this money to Miss E.

I do understand that this is not the decision Miss E was hoping for, but I cannot reasonably find that Saxo has acted incorrectly in this matter.

It is very unfortunate if Miss E agreed to Saxo's General Business Terms without reviewing them in detail or asking for assistance if she was too unwell to fully review them, but I can't reasonably hold Saxo responsible for this. As neither Miss E, nor a representative acting on her behalf told Saxo that she was very unwell, I cannot safely find that it should have made reasonable adjustments to assist her.

### **My final decision**

For the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 16 October 2023.

Suzannah Stuart  
**Ombudsman**