

The complaint

Mr T complained that Halifax Share Dealing Limited (“Halifax”) was unable to carry out his instruction online to sell shares. He says due to a fault in the system, he is out of pocket, and he would like to be compensated for this.

What happened

Mr T held a stocks and shares ISA account with Halifax. He was able, through this service, to buy and sell shares using Halifax’s online trading platform.

On 28 January 2022, Mr T went online and tried to sell all his shares in one of his holdings. He selected the stock to sell, and a page was shown with ‘buy’ and ‘sell’ buttons. It had a default setting of buy, so he changed this to sell. Mr T’s entire holding of the shares was shown in a box, but the continue button had been greyed out and he was unable to move on to the next screen. Mr T then clicked on a clear button and tried again. He said unbeknown to him, the instruction had changed on the screen and rather than selling his holding, he went on and bought the same number of shares that he already held, doubling the amount of his shares overall.

Mr T said that when he pressed the clear button, the selection button had been changed to buy rather than sell. He said this was a fault in Halifax’s system. Mr T said he tried to call Halifax shortly after it had happened to cancel the transaction but was told to sell all the shares instead. Mr T said this cost him around £200 due to the bid/offer spread, dealing costs and stamp duty. He complained to Halifax and asked for this amount back.

Halifax responded to Mr T and explained how its system worked. It said the system would ordinarily pre-populate the screen once a stock is selected to be sold, and Mr T should have been able to continue with this instruction. It said it identified though, that intermittently this does not work. It explained that instead Mr T should have been able to manually enter the quantity that he would want to sell and then proceed to instruct it to sell the shares.

It repeated that should Mr T have difficulty again in selling any shares online, he would just need to manually enter the quantity of shares. It also added that Mr T could have called it anytime and placed an order with it that way if he was having difficulty.

I have issued two provisional decisions on this complaint. The first one was issued in April 2023 and the second in May 2023. Both parties have received a copy of the two provisional decisions, but for completeness I include an extract from the decisions below.

First provisional decision issued 3 April 2023

“I am currently looking to uphold Mr T’s complaint, and these are my findings that explain why:

- Mr T went online to sell his shares in the Halifax trading platform. He said when he did so, the page had defaulted to a buy instruction. He said he needed to toggle from a buy to a sell option on the screen. When he did this and selected the shares to sell, a screen was pre-populated, but he was unable to go forward with the sale. When he clicked on the clear button on the screen, he ended up then buying the same volume of shares as he held, doubling his holding. This, he says, is because the screen refreshed and defaulted back to a buy order instead. Mr T says this is a fault in Halifax's system and when he pressed the clear button to refresh the screen it should have stayed as a sale instruction.
- I haven't been able to get much of an idea from Halifax about its online trading platform or how it worked at the time Mr T tried to sell his shares on either occasion. I've not seen any documentation from it and have had to rely on reading documentation submitted by Mr T to find out what it has said about his complaint.
- Halifax told Mr T that intermittently a pre-populated screen didn't work on its system. It then went on to explain that Mr T should have been able to manually enter the quantity instead. But this to me sounds like a fault within Halifax's trading platform that stopped Mr T from selling his shares on the first occasion he tried. This then led to Mr T refreshing the screen and then trying to sell his shares for a second time.
- On this second occasion, Mr T has explained that he then tried to sell the holding again and, on this occasion, he was able to continue with the trade. It was only after doing so that he realised that he had bought rather than sold the shares. I cannot be sure what happened here, and whether for example there was any prompt provided in the system that would have alerted Mr T that he was buying shares rather than selling them. But in the absence of any information being provided about this from Halifax, I am minded to conclude that the sale happened as Mr T has described and that when he clicked continue, he bought the shares, unprompted.
- Based on the information I have in front of me, I can understand why Mr T wouldn't have necessarily spotted that the screen instruction had changed from a sell to a buy and had then unwittingly gone on to buy shares that he was trying to sell. And this instruction only happened because of a fault within Halifax's system that occurred on the first occasion Mr T tried to sell them.
- I have concluded Halifax is responsible for a failing in Mr T's complaint on this occasion and this has caused him financial loss. So, it follows that I am currently minded to uphold Mr T's complaint and Halifax needs to put this right."

Second provisional decision issued 30 May 2023

"I am now looking to not uphold Mr T's complaint for the following reasons:

- In my first provisional decision, I concluded that I couldn't be sure what happened when Mr T bought shares instead of selling them, but on balance, I would conclude the sale happened as Mr T had described.
- I drew that conclusion because there was a lack of documentary information, in particular from Halifax that would show what more likely than not happened.

Halifax has now provided documentation including replicating screen shots that Mr T would have seen at the time he carried out the transaction.

- Halifax has provided this information at a late stage in dealing with Mr T's complaint. It would have been helpful to the resolution of this complaint, if it had provided the information that it held about this transaction sooner.
- That said, it did provide the new information before the deadline that I gave for the parties to respond to my provisional decision, and so I have looked through what it has submitted. Now that I have been able to see the screen shots provided by Halifax, I can see that Mr T would've seen a further prompt after he had clicked continue on the original trade screen. The prompt screen has a heading "confirm your order" and underneath it would've highlighted that Mr T was buying the shares. It would have shown the costs, and it would have said "net payable". Mr T would then have needed to click another button that said, "deal now". I think this prompt screen would've shown Mr T that he was buying the shares and not selling them. So, I am now currently minded to think that Halifax can't be held responsible for Mr T doing this and buying the shares by mistake.
- I do still think that a fault in Halifax's system had stopped Mr T from selling the shares when he first tried to do so. This fault Halifax says has now been fixed. But I think Mr T would have been given enough of a warning to understand that he was buying the shares, through the prompt screen, after the page had been refreshed and not selling them. Mr T went ahead and bought them anyway, and on balance, I currently think that Mr T had simply made a mistake here when he did so.

In conclusion, I currently am minded to not uphold Mr T's complaint for the reasons given above. I know this will be a disappointment for Mr T and I acknowledge his strength of feeling about his complaint, but with the information provided on balance, I don't think Halifax has done anything wrong here."

I asked both parties to let me have any comments, or additional evidence, in response to my second provisional decision. On this occasion, Halifax did not respond. Mr T responded on 30 May 2023 and made the following points:

- He was disappointed in the outcome of my second provisional decision.
- Halifax ignored requests for information until it had learnt it had provisionally lost the case. He asks why Halifax was given another chance, as it had plenty of opportunity to provide information.
- Halifax has accepted there was a system fault and has had to rectify it. He says if it is faulty there has to be liability. Surely, he says, there cannot be no liability here.
- He says there is fault on both sides and gives reasons for this. He says the outcome should be that the parties should meet halfway.

As there has been additional points made by Mr T, I have once again looked into his complaint and reviewed all that has been provided by both parties.

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.

In my first provisional decision, I concluded that I couldn't be sure what happened when Mr T bought shares instead of selling them, but on balance, I would conclude the sale happened as Mr T had described. I drew that conclusion because there was a lack of documentary information, in particular from Halifax.

Halifax then provided information at a late stage where it could show that Mr T would've seen a prompt screen asking him for a second time for confirmation that he wanted to buy the shares in question. I concluded in my second provisional decision that on seeing this, I didn't think Halifax could be held responsible for Mr T buying the shares by mistake.

Mr T asked in his response to my second PD why Halifax has received another opportunity to provide information. He said they had been given plenty of opportunities to provide information up to that point. I acknowledge the point Mr T is making here. In my second provisional decision I mentioned that it would have been helpful if Halifax had provided information to support its case sooner than it did. That said, the reason I issued my first provisional decision in April 2023, was because I had changed the outcome of Mr T's complaint and upheld it. I provided different rationale as to why I was upholding Mr T's complaint at that point and so it was only fair that both parties had an opportunity to respond to that. And then when I issued a second provisional decision, not upholding Mr T's complaint based on new information provided, I felt it was only fair to do the same and give both parties a further opportunity to respond to what I had said.

Mr T says Halifax has accepted there was a system fault and rectified it. He says there has to be some liability here. I understand the point he is making here. Halifax did have a fault in its system. But as I said in my second provisional decision, I think Mr T would have been given enough of a warning to understand that he was buying and not selling the shares, for the reasons I have already given.

Mr T says there is fault on both sides and says the parties should meet halfway. Halifax though have not considered this. So, I have had to decide whether Halifax was responsible for Mr T's losses here or not. For the reasons given, I think Mr T, on balance was given enough of a warning to understand that he was buying the shares and had simply make a mistake.

In conclusion, I do not uphold Mr T's complaint for the reasons given above and in my second provisional decision.

I know this will be a disappointment for Mr T and I do acknowledge the points he has made. But with the information provided on balance, I don't think Halifax has done anything wrong here.

My final decision

I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 August 2023.

Mark Richardson
Ombudsman