DRN-4139640

The complaint

Mr M complains that information provided by Halifax Share Dealing Limited trading as Lloyds Bank Direct Investments ('Lloyds') led him to believe the valuation of a shareholding was correct, or approximately correct, when it was wrong by a factor of approximately 20.

To put things right, Mr M asked for:

1. Compensation for the perceived loss of value.
2. A meaningful apology.
3. Acknowledgement that he had discovered a Lloyds system error and helped their business improve.
4. A review of Lloyds' complaints procedure, as he felt he had been referred to this service without Lloyds thoroughly investigating and understanding the problem.

What happened

Mr M had an online share dealing Individual Savings Account ('ISA') with Lloyds which included a shareholding which I'll refer to as his 'N shares.'

The value of his N shares shown on the online valuation screen was significantly greater than the valuation shown on his quarterly statements. Mr M didn't look at his quarterly statements - he relied on the valuation he saw on the online screen when he logged on to check details of his shareholdings.

When Mr M first contacted Lloyds about this, Lloyds apologised for the fact he had been given cause to complain but said it was unable to uphold his complaint. Lloyds mainly said that when his listing of N shares had moved to an overseas stock exchange it didn't support on its platform, the terms of its customer agreement could no longer apply to this holding and only a limited service could be provided until such time as Mr M transferred his N shares to another provider.

Lloyds said that the data provided on the valuation screen of his online account was in any event for indicative guide purposes only and wasn't guaranteed, as stipulated in the customer agreement.

Mr M didn't feel this addressed his complaint and so he came to us and one of our investigators looked into what happened.

Our investigator didn't uphold Mr M's complaint saying mainly that:

- the corporate action which led to his N shares moving to a foreign exchange had been outside Lloyds' control

- Lloyds hadn't committed to ensuring accurate valuations of unsupported shares and its terms and conditions made clear that Mr M should check pricing information himself

- Mr M had suffered no tangible loss.

Mr M disagreed with our investigator, as follows (in brief summary):

- he had retired believing that he was around £4,000 better off than he actually was and he questioned whether he would've delayed his retirement in order to earn more to recover the perceived loss had he known

- he disagreed with the investigator's view that he had accurate information. He said accurate information was available in reports in the system that could be downloaded, but until recently he was not aware that these reports existed and he had never seen them. He only saw the erroneous online portfolio valuation which is Lloyds' primary customer interface

- he didn't accept Lloyds' apology and said Lloyds had refused to allow him to engage with senior management to help them understand his concerns and improve their systems.

As the complaint hasn't been resolved, it comes to me for a final decision.

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.

I've carried out an independent review and having done so, I've reached the same conclusion as our investigator. I'll explain my approach and how I've reached my decision.

We offer an informal dispute resolution service and we focus on deciding whether a financial business has made any error or acted unfairly or unreasonably. We are impartial and we make our decisions based on a balance of probabilities.

It's my understanding that the crux of Mr M's complaint is that he potentially lost out as a result of relying on incorrect pricing information published by Lloyds when he saw an online screen valuation which led him to believe his ISA was worth more than was actually the case.

It's not in dispute that there was a discrepancy between the N shareholding valuation shown on the online screen and in quarterly valuation statements Lloyds produced.

But Mr M also had access to quarterly statements that showed a more accurate valuation. Mr M says he hadn't seen this information and he hadn't been aware of the quarterly statements provided. But that's not a reason for me to uphold his complaint since I can't fairly say that Lloyds didn't make this information available to him.

Lloyds terms and conditions include the following:

'*we cannot promise that the market information is accurate, complete, timely or in the right order. You must satisfy yourself that market information is reliable before you make any decisions or take any actions based upon it.'*

I appreciate that Mr M says this isn't enough to support not upholding his complaint when Lloyds did in fact hold accurate information as shown on the quarterly statements whilst at the same time it showed inaccurate information on the online screen. But the terms and conditions that Mr M would have signed up to in order to use the account did make clear that the onus was on Mr M to check market information. And I think it's worth mentioning that the online screen also included the following wording: '*Please note: the information on this page is indicative so you should independently check any data before you make an investment decision.'*

So I don't find that Lloyds was responsible for Mr M choosing to rely exclusively on the information shown on the online screen given that:

- terms and conditions put the onus on Mr M to doublecheck valuations, and
- he would have been able to see a reminder about the necessity of verifying pricing information on the online screen, and
- he had access to quarterly statements that Lloyds provided showing a more accurate valuation.

Lloyds had published an update on 18 October 2018 making customers aware of the corporate action implications affecting N shares, including making clear that '…*we will be unable to facilitate trading via our sharedealing facility. ….If you wish to trade in (N shares) you will need to establish an arrangement with an alternative broker…*' So I think it's fair for Lloyds also to say that Mr M couldn't reasonably expect usual terms of service to apply when corporate action affecting his N shares meant this shareholding was no longer supported on its platform.

For these reasons, I haven't seen enough to make a finding that Mr M lost out as a result of Lloyds having acted unfairly or unreasonably, so I am not upholding the complaint. It follows that I can't award the redress Mr M has requested.

I would just mention here that even if I had found that Lloyds was responsible for Mr M relying on incorrect information, ultimately this would make no difference to the outcome so far as Mr M is concerned. I say this because our approach would be to look at what went wrong and we would aim to put Mr M into the position he would have been in had things happened as they ought to have done.

I don't think it's likely that Mr M would have put off such a big decision as taking planned retirement if he had correctly understood what his N shares were worth, bearing in mind the difference in valuations and the overall value of his portfolio. So I wouldn't be able to say in those circumstances that Mr M would likely have done anything differently even if he had looked at the quarterly statement valuation rather than choosing to rely on the online screen.

I appreciate that Mr M feels there are unanswered questions here – he thinks there is a flaw in Lloyds's computer system and he hasn't had a specific answer about this. But the purpose of my decision isn't to address every single point or question raised because it's not what I'm required to do in order to reach a decision in this case. And whilst I understand that Mr M is also unhappy about the way Lloyds handled his complaint, that's outside my remit. The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. This is why I've concentrated in my decision on the customer service Mr M received and on what I consider to be the main points that affect the outcome of this complaint.

I hope that setting things out as I've done is helpful and even though this isn't the outcome Mr M hoped for he will at least feel that the Financial Ombudsman Service has fully considered his complaint.

My final decision

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 February 2024.

Susan Webb
Ombudsman