

## The complaint

Mr M complains that Halifax Share Dealing Limited ('Halifax') miscalculated the book cost of his shareholding. He wants Halifax to correct the error and apologise.

## What happened

Mr M has a share dealing account provided by Halifax. Using that account Mr M has bought and sold shares in a company which I'll call 'B'. Mr M acquired his shares in B through a number of separate purchases over a period of about ten years. And during that time he also sold some of his shares in B from time to time.

Mr M says that when he sold some of his shares in B in January 2023 Halifax recorded an incorrect sale price. He says the incorrect sale price resulted in Halifax calculating a wrong book cost for his remaining shares. So he thinks the current book cost that Halifax is showing for his holding is wrong, and he thinks Halifax's profit and loss statement for his holding in B is therefore also wrong.

Mr M complained to Halifax, but Halifax said its calculation was correct. It gave Mr M a spreadsheet showing how it had calculated his book cost.

Mr M was not satisfied with Halifax's response. So he referred his complaint to this service.

One of our Investigators looked into Mr M's complaint. She said Halifax followed its own procedures and acted fairly and reasonably when calculating Mr M's book cost. So she didn't think Halifax had done anything wrong. The Investigator said Halifax used an aggregation method to assign an average cost per share to its customers' share holdings.

Mr M said he understood the method for calculating the book cost, but he believed the calculation in this instance was incorrect because Halifax had recorded an incorrect sale price for his January 2023 transaction. And he thought that the incorrect sale price had caused an error in Halifax's calculation of his book cost.

Mr M provided a transaction record and a contract note from Halifax. The transaction record included a column titled '*Cost per share*'. Under that column the amount showing for the January 2023 sale was 25.18p. But, Mr M said, the contract note showed that the sale price for the shares he sold in January 2023 was only 2.5p.

Our Investigator told Mr M that Halifax said the figure of 25.18p per share was the book cost of those shares – not the sale price. And that the correct sale price was recorded on the trade confirmation (also known as the contract note).

Mr M continued to say Halifax had used a wrong number in its calculation of his book cost. He said he wasn't disputing whether Halifax had followed its own processes – he was concerned that a wrong amount had been recorded for a single transaction and had caused Halifax's calculations to be wrong. He said that, for all his other transactions, the '*Cost per share*' column showed the purchase or sale price of the shares that were bought or sold. And this showed there was an error in the figure recorded for the January 2023 transaction.

Because no agreement could be reached, this complaint was passed to me to review afresh and make a 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.

Having done so, I'm not upholding Mr M's complaint. I'll explain why.

Looking at the amounts in the '*Cost per share*' column and the contract notes Mr M submitted to us, I think Halifax is right to say that the '*Cost per share*' column of Mr M's transaction record shows the book cost of the shares that were sold, and not the sale price.

Mr M pointed out that for other transactions in that column the amount showing was the cost for which the shares were bought or sold in that transaction. I think this is the case for transactions in which Mr M bought shares, but not for transactions in which Mr M sold shares.

For purchases, the '*Cost per share*' column shows the book cost of those shares at the time of purchase, which is the same as the cost of the purchase. For sales, the '*Cost per share*' column shows the book cost of those shares at the time they were sold, which is determined according to Halifax's aggregation method for calculating book cost. That's why the '*Cost per share*' for Mr M's January 2023 sale of B shows as 25.18p, instead of the price at which he sold which was 2.5p.

So, having carefully considered this and everything Mr M's said about his transaction records, I don't think the figures in the '*Cost per share*' column suggest that anything is wrong in Halifax's records. And therefore I have no reason to say Halifax has given Mr M an incorrect book cost, or an incorrect statement of profit and loss.

I note also that Halifax has said the sale price of shares sold doesn't factor into its calculation of the book cost. This is consistent with Halifax's description of how it calculates book cost, which our Investigator passed on to Mr M. And it's consistent with the explanation Halifax gives on its website of how it calculates book cost. And I accept that it is the case. Halifax has shown that its method is that, when Mr M sells a parcel of shares, the new book cost for his remaining shareholding is adjusted by deducting the book cost of the shares he's sold (not the sale price of those shares) from the overall book cost of his holding. The new book cost per share is then calculated by dividing the new book cost for the total shareholding by the number of shares that remain in the shareholding.

And so, for this reason too, I don't think Halifax's calculation of Mr M's book cost has been affected by an incorrectly recorded sale price.

I'd like to assure Mr M that I've carefully considered all of his submissions. And having done so I think he can be satisfied that Halifax hasn't made an error here.

### **My final decision**

For the reasons I've set out above, my 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 20 December 2023.

Lucinda Puls

**Ombudsman**