

The complaint

Mr R has complained about Saxo Capital Markets UK Limited ("Saxo"). He said Saxo did not contact him about its fees or when it sold his shares to cover them.

Mr R said Saxo should be compensating him for its failure to notify him what was happening. He would like the money back that it took when it sold his shares to pay for its fees, along with a payment for distress and inconvenience.

What happened

Mr R held shares in Deutsche Bank. In 2017, his bank informed him that it would no longer be able to hold international stock and so recommended Saxo to provide this service.

Mr R transferred his 48 Deutsche Bank shares into a Saxo account in August 2017. He said he considered this to be a dormant holding, so didn't monitor them and only realised there was a problem when he went to sell the shares some years later.

Mr R logged into his account and said he then could see that Saxo had sold 34 of his shares, he said without his permission in April 2021 to pay for fees accrued on the account. He said Saxo should have notified him and obtained his permission before it did this. He said he hadn't heard from Saxo before it did this. Mr R said Saxo sold his remaining shares in 2023 to again pay for fees. Mr R complained to Saxo about this.

Saxo said in response that it was an execution only provider and it was the sole responsibility of Mr R to monitor his account. It referred to its terms and conditions. It said it had applied its fees and then recouped what Mr R owed, as it had described in its terms. It said all fees charged on Mr R's account were added correctly and in accordance with its terms. It said it was willing to write off the negative balance that remained on Mr R's account and help him close his account.

Mr R was not happy with Saxo's response and referred his complaint to our service.

An investigator looked into Mr R's complaint. He said he didn't think business needed to take any action. He said Saxo was entitled to decide for itself whether and on what terms it provides its services. He said when Mr R transferred his stock over to Saxo, he agreed to the terms stated.

Mr R is not in agreement with the investigator's view. He said the key part of his complaint is that Saxo failed to make proper efforts to contact him about the share sales and charges. He said any emails from Saxo went to his junk mail. He said it failed to contact him by post or phone, to ensure he was aware of what was happening. He said he should be compensated for it failing in its duty of care to a retail customer. So as the parties are not in agreement, Mr R's complaint has been passed to me, an ombudsman, to look into.

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 am not upholding Mr R's complaint. I will explain why:

- I can see Mr R opened an account with Saxo in August 2017 and transferred 48 shares in Deutsche Bank. When he opened the account, Mr R signed up to and agreed to Saxo's terms and conditions, or what Saxo called its general business terms (GBT).
- I have read through these and have looked into the ones that have been referenced by Saxo around its fees and communications. Of relevance is term 5.3 – "Saxo accepts no obligation to provide individual advice, surveillance, information or recommendation in respect of any instrument of service". Also, term 20.1 "the client will be obliged to pay Saxo the commissions and charges set out on the website". And term 20.11 "all amounts due to Saxo will at Saxo's discretion be deducted from any funds held by Saxo for the client."
- I have also looked through its website and can see it has explained what it charges for its services on there.
- As I have already said, Mr R signed up to these terms when he opened his account. So, at the point he transferred his stock over to Saxo, it ought to have been operating its services within the terms given including those that I have highlighted above. So, its fees would have kicked in and specifically its custody fee for open positions.
- Every month that Mr R held his open position with Deutsche Bank, he was incurring this custody fee. I don't think Saxo was doing anything unreasonable here. It had made its fees clear on its website and that it was going to charge them as described in its terms. It said it needed to pay its own costs with its broker and so made a commercial decision to have this charge in place to do that. It was entitled to do this and charge Mr R this fee, based on what I have already said.
- Mr R didn't have enough funds in his account to pay for the fee after the first month, so he began to accrue a negative balance, and so on April 2021 Saxo sold 34 of his shares and then in March 2023, sold the remaining shares to offset against the fees owed.
- Mr R said his main complaint is that Saxo should have contacted him before it sold his shares in April 2021 and again in March 2023. But I can see that it did send a message to Mr R about this. It sent an email to Mr R on 10 March 2021, over a month before it sold his shares. It said, "If it [the negative balance] has not been covered within 8 business days we will liquidate your positions in order to cover the negative cash balance". Mr R said it should have gone further and called him or sent a letter in the post, but Saxo were not obligated to provide the service Mr R was looking for here, and it didn't say it would do this from the outset, when Mr R signed up to have an account either. After reading the email it sent, I think it did enough to notify Mr R, an execution only account holder, about what was happening. I don't think its actions were unreasonable.
- Saxo has shared a screenshot of what Mr R would have seen if he had logged in earlier than he did. He would have clearly seen a negative account balance and had access to online statements for his account. I appreciate Mr R has said he treated the shares as dormant, but he would've been able to see that he owed fees if he

had logged into his account at any point from when he opened it and transferred the shares over. I don't think I can hold Saxo responsible on this occasion, for Mr R not logging in and seeing what was happening here, after seeing the nature of service it was providing, that Mr R signed up for and what was stipulated in its terms.

- In conclusion, I don't think Saxo has done anything wrong when it has charged fees to Mr R's account and then taken steps to recoup what he owed by selling his Deutsche Bank shares. I can see it has carried all of this out, within the terms and conditions that Mr R signed up to when he opened his account with it. I can see that it would have sent a message to Mr R about selling his shares in March 2021, and Mr R would have been aware of the second sale of his shares in March 2023. I think Saxo did enough to provide information to Mr R on his account online. I think it has also done enough to rectify Mr R's complaint by waiving the remaining fees and in April 2023, closing his account on Mr R's request. So, it follows based on all I've concluded, that I don't uphold Mr R's complaint.

I appreciate that my decision will be disappointing for Mr R but based on everything I have read and the findings I have given, I don't uphold his complaint.

My final decision

My final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 February 2024.

Mark Richardson
Ombudsman