

The complaint

Mr H has complained about Barclays Bank Plc (Barclays). He said he was unable to sell shares on Barclays trading platform when he went to do so. He would like compensation from Barclays for his investment losses and for the distress and inconvenience it has caused.

What happened

Mr H held shares in DMGT Plc. In 2021, DMGT was subject to a takeover by a private individual and terms were agreed. Shareholders would receive a payment in cash for their shares along with a distribution in specie of Cazoo Shares. This would be distributed to all shareholders through a special dividend.

Mr H said the takeover was completed at the end of December 2021, and so he was expecting the Cazoo shares to show up on his account with Barclays. He said he contacted Barclays several times between January and July 2022 and on each occasion, he was told there was delay. Mr H said he raised a complaint about these shares in July 2022 as, although they had appeared on his account, he couldn't sell them.

Mr H could see the value of Cazoo shares had declined and he was looking for Barclays to pay the difference between what he could have sold them for at the end of December 2021 and the present. Mr H said in October 2022, Barclays contacted all holders of these shares and said it could bundle sell the shares for those that wanted to. Mr H took them up on the offer and the shares were sold by Barclays in October 2022.

Barclays said in response that the shares were not issued to it until around 24 June 2022, through the crest system. Barclays said it had no control over this. It said it was sorry for any misunderstanding about it notifying Mr H when the shares would appear in his account. It said Mr H had an execution only account and so it wouldn't normally do that. It offered to pay £150 for the distress and inconvenience it said it caused.

Mr H was not happy with Barclays' response and referred his complaint to our service.

An investigator looked into Mr H's complaint. He said he didn't think Barclays needed to take any action. He said Barclays said no delays or processing issues were caused by it. He said Barclays then provided shareholders with an opportunity to sell the shares as soon as it could. He said Barclays offered £150 in compensation and he felt this was fair in the circumstances.

Mr H is not in agreement with the investigator's view. So as this is the case his 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 H's complaint. I will explain why:

- Mr H has told our service he just wanted to sell the Cazoo shares that he was due, through a corporate action. He was due to receive these, as he was a shareholder of DMGT. It had been agreed in a takeover deal that each shareholder would receive cash and a special dividend including Cazoo shares for their DMGT shares.
- The takeover went through towards the end of December 2021, and Mr H received the cash element of the offer. Mr H said he should also have received the Cazoo shares at this point and if he had done so he would've sold them straight away.
- Mr H said Barclays said it received the Cazoo shares on or around 24 June 2022. But he said, he was unsure whether large institutions were able to sell Cazoo shares earlier, and as early as December 2021 when the takeover went through.
- I have looked into this and have read a press release dated 6 May 2022 by DMGT where it stated a committee of directors authorised settlement of the share element of the special dividend. I can see that the company had only agreed settlement of the shares in May 2022. So, it looks like to me that the cash element of the offer went through in December 2021, but the shares held for the special dividend didn't, and wasn't agreed for settlement by the company until May 2022. Barclays said the Cazoo shares weren't deposited into its crest account until on or around 24 June 2022. So, this seems to be the timeframe for the distribution and potential sale of Cazoo shares and not earlier, as Mr H has suggested.
- Mr H could see that his Cazoo shares had appeared on his account soon after 24 June 2022. He went to try and sell them and couldn't, as the sell or deal button had been greyed out. Mr H called Barclays and asked why he couldn't sell them. Our service has asked Barclays why Mr H couldn't sell his Cazoo shares at this point, when the shares were deposited into its crest account and when Mr H's proportion of this, was showing in his account.
- Barclays said at this time, its account holders, including Mr H were unable to trade in the shares as it didn't have the facilities to do so. It said it was working on providing an international trading service but at that stage it didn't have arrangements in place. Barclays said it launched this service in November 2022, after it had dealt with this issue of the Cazoo shares.
- Barclays said the corporate action was unusual and it was having to work through an issue which was not business as usual. It said it went to the market maker and it received the message back that it would be charged additional fees. Any sales of these shares it said, would also cause issues with its contract notes. It said any action it took with Cazoo shares in this context, meant it had to go through multiple layers of sign off and therefore it took some time, up to 10 October 2022, for it to provide options to any DMGT shareholders, including Mr H, that held Cazoo shares.
- On 10 October 2022, Mr H was given three options about these Cazoo shares: either keep them, sell them through a batch order that it was arranging for around 25 October 2022, or arrange to transfer them to another provider. I have read the message Barclays sent to Mr H and have also listened to a call between him and Barclays where he chose to sell his shares, from the options provided.
- I acknowledge the frustration Mr H has had to endure with these shares. As I have already said, Mr H has made it clear he's wanted to sell these shares. But I can see

that up to 24 June 2022, it was not in Barclays control to do anything about Mr H's Cazoo shares. Mr H said he was unsure whether institutions could have sold the shares sooner. As I have already concluded, I'm not persuaded this was the case.

- Barclays has provided an explanation as to why there was a delay from July to October 2022, and although I can see this is not ideal, especially not to Mr H who wanted to sell the shares, I don't think Barclays has made any mistakes or errors that has led to a delay here. It has provided an explanation as to why it took longer to be able to get to the position, that it could give its account holders options around these shares. Barclays was in a position where, it couldn't trade the shares unless it incurred additional fees and it also caused issues with its contract notes and it has explained why. It hadn't launched an international trading service at this point, and so having these shares on Mr H's account was causing it some issues for it to work through.
- Barclays has explained this is why it took it up to 10 October 2022 to get in contact with Mr H about the shares. I don't think anything it has said about the actions it had to take or how long it took them on this occasion, with regards to Mr H being able to sell his share, is unfair or unreasonable. So, although I do empathise with Mr H, especially as the Cazoo share price fell significantly throughout this period, I don't uphold his complaint as I don't think Barclays did anything wrong.
- Barclays has provided £150 compensation for the way it has handled Mr H's complaint. I think its offer is fair and reasonable. I can see that it has already paid this to Mr H.

I appreciate that my decision will be disappointing for Mr H. 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 H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 February 2024.

Mark Richardson
Ombudsman