

## The complaint

Mrs A has complained about HBOS Investment Fund Managers Limited (trading as “Halifax”). She said Halifax made errors when she requested a transfer of her stocks and shares ISA to a third party. She said because of this, she made investment losses. She would like Halifax to repay her the losses she made.

A financial adviser has acted as Mrs A’s representative throughout her complaint.

## What happened

Mrs A held a stocks and shares ISA with Halifax. She said she decided to transfer all cash she held in the ISA to a third party. She said she put in a request in writing in February 2023 for Halifax to sell all her investments and then transfer the cash to a third party.

Mrs A said she received a letter from Halifax informing her of errors made and that it had reinvested her money. She said in March 2023 it transferred the funds to the third party, but by this stage she had made investment losses of around £6965. She complained to Halifax about this.

Halifax said in response that it was unable to uphold her complaint. It said it could see it acted on an invalid instruction to sell Mrs A’s funds. It explained that it received an instruction from Mrs A to close her ISA account and transfer the whole cash balance to a third-party cash ISA. It said, this wasn’t a valid instruction and that either it would need to receive a written instruction if Mrs A wanted a cash withdrawal or receive a transfer request from the third party if Mrs A wanted to keep the tax efficiency of an ISA.

Halifax said the instruction was processed by it in error and it wrote to explain this to Mrs A. It said as per its standard procedure Mrs A’s investments were reinstated. As it had not received a valid instruction, Mrs A’s account was reinstated as if the deal was never placed. It said as it made a mistake it wanted to put this right and for the inconvenience it said it would pay £100 compensation.

I issued a provisional decision on this complaint in March 2024. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

*“I have independently reviewed Mrs A’s complaint and have come to the same outcome as the investigator. I will explain why.*

*To recap: Mrs A wanted to transfer the total funds from her stocks and shares ISA to a cash ISA with a third party. She put in a request in writing and sent it to Halifax, for it to do this. Halifax then duly sold all her investments but then after it did, it realised that the instruction provided by Mrs A was incorrect. In order to transfer the funds to another provider, and not lose the tax efficiency benefits, Mrs A needed instead to put in a request with her new provider, the third party.*

*I have looked into this and can see that Mrs A had put in a request, as if she was withdrawing her funds. She wrote to Halifax asking for it to sell her funds and transfer them, but she needed to instead contact her new provider and request the transfer with them.*

*Halifax said it made a mistake and sold Mrs A's investments. It said, what it should have done was reject the request and inform Mrs A that she needed to contact her new provider. It didn't and instead it sold the investments.*

*Halifax stated that Mrs A had not suffered any financial disadvantage due to its error. It had bought the same units back on her investments and had restored her account as if its error hadn't happened. Mrs A then arranged for her new provider to put in a request and the money was transferred. What had happened in the intervening period between the initial erroneous sale of Mrs A's investments on 9 February 2023, was that her investments had fallen in value in the market, so he received around £6965 less.*

*I can see that in order to transfer her funds successfully to a third party, Mrs A would have needed to put in a request with the new provider and not Halifax. This is something that I think is standard and generally accepted amongst ISA providers as being the process that needed to happen for a transfer involving a stocks and shares provider.*

*Halifax made a mistake and when it received Mrs A's request, it should have then rejected it and then contacted her to advise as to what her next steps would be, this being to contact her new provider. It didn't do this and made a mistake in selling Mrs A's investments. On discovery of the error, it did then look to put Mrs A back in a position as if it hadn't made the error. It bought back the units and then advised Mrs A about what to do next.*

*So, if Halifax hadn't made the error, then Mrs A would have been in the same position. She would have needed to contact her new provider and arrange for it to request the transfer. So, I don't think in any circumstance where Mrs A kept the tax efficiency of her funds, that she would have been in a position where the proceeds to be transferred would have been of the value that they were sold erroneously for on 9 February 2023. This is because Mrs A's initial request was incorrect, so she would have needed to still contact her new provider and this would have taken time, and in this time her investments would have fallen in value, as they did.*

*I don't think Halifax are responsible for Mrs A's investments fall in value, as the issues with her transfer request were being resolved. That said, it did make an error and by its own admissions, it shouldn't have sold the investments, but I can see it corrected its own error in quick time and then carried out the correct transfer request in a reasonable amount of time also. It offered to pay £100 to Mrs A for the distress and inconvenience it had caused by making the error. I think this is fair and reasonable and similar to the sort of awards I have made in complaints similar to this one.*

*Mrs A's representative said in a recent submission that Mrs A contacted Halifax and during the call she was not given the correct guidance by it. They said if Halifax had told Mrs A's husband the correct procedure on the phone, then the losses Mrs A incurred would not have happened. I have already concluded that I don't think that would have been the case. It would have taken longer for Mrs A to request a transfer, than if she had wanted to make a withdrawal. And her investments would have fallen in value over this time. But our service did request the call recording, so I could hear what was said between Halifax and Mrs A's husband about this.*

*I have been able to listen to a recording of the call that took place between Mrs A's husband and Halifax on 6 February 2023, and I have heard what was said. I heard the representative from Halifax explain to him the procedure clearly on a number of occasions.*

*The representative informed Mrs A's husband that he would need to write to Halifax if he wanted to withdraw his funds from his ISA account. About halfway through the call, the representative then said that if he did this, he would lose his ISA status, and said to him that he could go to another ISA provider and request a transfer. She said to Mrs A's husband that if he did that, the new provider would then arrange the transfer and send in forms to Halifax and between them they would carry out the transfer. She said, "What they will do is fill out forms and send them up to us, then we will sell the shares, and then pay the money out to that provider".*

*Mrs A's husband looked to clarify the process with the representative, and I heard them explain again on a number of occasions that he needed to contact their new provider and make their request with them if they wanted to carry out an ISA transfer. I am satisfied on hearing this call recording, that the correct procedure was explained. So, I can't agree with Mrs A's representative that they was not given the correct guidance by Halifax.*

*In conclusion, Halifax made a mistake in that it sold Mrs A's investments when it received an incorrect request from her. It rectified its mistake and reversed what it had done. Mrs A's husband was given the correct advice during the initial phone call, and in a letter provided after the mistake had been reversed. It paid Mrs A £100 compensation for this. Mrs A then contacted her new provider and the correct process then took place. I don't think Halifax are responsible for Mrs A's investments fall in value as the transfer took place, for the reasons I have already given. It follows, that I don't uphold Mrs A's complaint and don't require Halifax to do any more than what is has already done.*

*I appreciate that my decision will be disappointing for Mrs A, and I acknowledge the points made by Mrs A and her representative in the submissions provided. But based on everything I have read and the findings I have given, I don't uphold Mrs A's complaint."*

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision. Both parties didn't respond by the deadline.

### **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.

Neither party has responded so there isn't anything further that I feel I need to comment on or that will change the outcome of this complaint. So, because of this, I don't see any reason to depart from my findings within my provisional decision. So, I don't uphold Mrs A's complaint.

### **My final decision**

My final decision is that I don't uphold Mrs A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 14 May 2024.

Mark Richardson  
**Ombudsman**