

The complaint

Mr G has complained about the poor service he received from ITI Capital Limited ('ITI'). He wants to know what dividends were received on his account, and when, what charges have been incurred, plus the whereabouts of the £2,000 it is still holding. He would also like £1,000 compensation for the time and effort spent in getting clarification from ITI about his account and complaint.

What happened

In June 2020, Mr G's account, which had been held with a previous firm that had gone into administration, was transferred over to ITI. Mr G suffered significant problems in onboarding his account and other subsequent issues with ITI so tried to transfer his account to a new platform provider – who I shall refer to as 'Company B' in my decision – where again he suffered significant issues.

Because of this Mr G raised a complaint with ITI. In its response ITI recognised that it had fallen short in meeting his expectations in carrying out the transfers for him. It hadn't been able to quickly resolve and the address the issues for him. It offered £300 for the distress and inconvenience Mr G had suffered and a further £50 for the delay in responding to his complaint.

Mr G wasn't happy with the outcome and brought his complaint to his service. He raised several heads of complaint including – but not limited to – the onboarding of his account, a lack of visibility of his holdings and dividends, delays and problems with the transfer of his account to another platform provider, inability to make any sales, confusion about and missing Rolls Royce rights shares, a missing holding of UKDV Dividend Aristocrats and the number of Tesco shares and ITI retaining a balance on his account which is reducing.

Our investigator who considered the complaint thought it should be upheld. He said;

- He thought the offer of £350 for the trouble and upset caused to Mr G was fair.
- ITI should provide a breakdown of the account to ensure the transfer was completed correctly and dividends accounted for and that ITI wasn't taking charges while the transfer was delayed because of errors it caused.
- There was a cash balance left on the account which should have been transferred. That amount should be transferred with an additional 8% simple interest for Mr G being deprived of the cash.

Mr G agreed with the outcome but thought he should receive more than £350 for the time spent correcting a string of errors. There had been a series of complaints.

Mr G asked that the case be reviewed by an ombudsman, so it has been passed to me for 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.

I very much recognise Mr G's strength of feeling about his complaint. It's clear he is, and has been, extremely frustrated and stressed by the process. I've considered the detailed submissions he has made carefully. And I hope he won't think I am being discourteous by not addressing all of the points he has made in any great detail. I've kept my focus in this decision on the core matters to the complaint.

Below I have provided details of some of the problems Mr G has experienced and where appropriate how the matter should be put right.

In June 2020 Mr G's account was transferred from the previous provider which had gone into administration. In July 2020 Mr G's account was showing a value of around £11,000 whereas it should have been nearer £100,000 so he assumed that several shares hadn't been transferred. He had a valuation from the administrators of the previous business. And at one point all of his assets disappeared from his account in August 2020.

No doubt this must have been concerning to Mr G and below I am directing ITI to provide him with an audit of his account since inception to transfer to Company B. He will be able to ensure that all of his shareholdings and cash are accounted for.

Mr G has said that his account was split into two and he doesn't know why. I can see from a screenshot he has provided that at one point one of his accounts appeared to be in credit and the other in debit. Mr G doesn't understand what happened. Again, this must have been frustrating for Mr G. As above, ITI are to provide an audit of his account and this will include a cash trail so Mr G can check his cash position.

Mr G was in contact with ITI as he couldn't view his holdings and whether they had been correctly transferred to Company B. He also couldn't see what dividends had been credited to his account and also whether they had been transferred as instructed. He wants transparency about what was transferred from the predecessor business and an audit trail on what happened to his account subsequent to that.

Mr G has also said that he hasn't been told what charges had been taken from his account and didn't know what dividends had been credited to his account while it was with ITI. This will be covered off in the account information I am directing ITI to provide.

Mr G hasn't been able to accurately view his cash position. And in any event all cash should have been transferred to Company B. He believes the cash position was originally around £2,500 but has been reducing – he assumes through charges being taken by ITI. The account information to be provided by ITI should enable Mr G to identify whether it has been taking charges after his transfer request.

I asked Mr G what he would have done with the cash still held on the account if it had been transferred when he instructed ITI. He says he would probably have invested into his favourite tracker fund which has gone up in value. However, I can't know for sure this is the action Mr G would have taken or what day he potentially would have carried out any transaction. But in recognition of Mr G not having use of that money I think an interest award would be fair and reasonable in this case.

Sometime in February 2021 Mr G requested that his account be transferred to Company B. I can see that amongst other issues in August 2021 Company B still hadn't received a valuation from ITI in order to complete the transfer.

A further replacement request was made in September 2021. Mr G was advised that because of ITI having dialogue with the regulator, transfers were temporarily put on hold. When the transfer was eventually completed Mr G was able to view his account for the first time for some years. But he still didn't have the dividend or charges information from when his account was with ITI.

I think it was clear from Mr G's first instruction made in February 2021 that he wished to transfer his account. ITI hasn't given us any reason for the delays Mr G experienced. I am aware that Mr G was advised of ITI's dialogue with the regulator later in 2021 and that transfers had been put on hold. But I don't have any reason to think that the February 2021 request to transfer the account couldn't have been completed by then if ITI had acted on that instruction in a timely manner. If Mr G doesn't agree with any account charges he has incurred after his request to transfer his account, he can raise this with ITI if he wishes to.

Mr G told us about the shareholdings that weren't included in the transfer of his portfolio to Company B – the shares taken up in the Rolls Royce rights issue and his holding of UKDV Dividend Aristocrats valued at around £50,000. And Mr G's shareholding of Tesco didn't seem correct.

Mr G had to chase ITI many times about this. But I note that the UKDV Dividend Aristocrats holding was sent by ITI on 18 October 2021 and Mr G confirmed on 27 October 2021 that it had been received by Company B.

With reference the difference in the number of shares in Tesco, I see that on 28 October 2021 ITI confirmed that there had been a share consolidation in February 2021 on the basis of 15 new shares for every 19 existing shares. Mr G should be able to identify this on the audit information.

ITI hadn't taken up the rights in Rolls Royce as it should have done for Mr G's account in 2020. But it put that matter right by repurchasing those shares and adding them to his account in October 2021. I understand Mr G's holding of Preference 'C' class shares were transferred to Company B on 15 November 2021 and 8,256 Ordinary shares were transferred in December.

The account information I am asking ITI will also allow Mr G to check the Rolls Royce rights position that should have been taken up in November 2020 and make sure the correct amount was charged to his account and there were no additional debits when ITI had to purchase the shares on its own account for him at a later date.

Mr G has complained that he experienced long delays due to the intervention by the regulator and he was unable to sell any of his stocks, but I don't have any evidence of what transactions he wanted to make. And I can't comment on this point as I'm not privy to the details of that intervention. But I would say if ITI was in dialogue with the regulator then I would have expected it to act on any instructions it was given.

While I acknowledge the considerable efforts Mr G had to make in order to find out what happened to his shareholdings ITI did eventually provide responses to those queries and the matters were put right as necessary.

The investigator recommended that ITI pay Mr G £350 for the distress and inconvenience he had suffered. This would include the £50 that had previously been offered by ITI in respect of it not responding to her complaint within the regulatory eight-week time limit.

That offer of £50 was for the handling of Mr G's complaint and is not something this service can consider.

Any award I make is for the complaint as it is put to me, taking into account what I can and can't consider. The award I am recommending is for the aspects of the complaint that I can consider – the delays and inconvenience etc that Mr G has experienced in his dealings with ITI about his account and its transfer to Company B.

I do agree that Mr G should receive a payment for the considerable frustration he has been caused while his account has been with ITI and during the transfer process. I've carefully considered Mr G's points and I am aware he feels strongly about his complaint and the award for the distress and inconvenience he has been caused. But I have also borne in mind our long-standing approach awards for distress caused. Taking all of the above into account, I think the £300 already offered by ITI is a fair reflection of the distress and inconvenience caused to Mr G.

I don't know the size of the client base that ITI took over from the previous provider that went into administration. But I think it's likely that the new additional accounts and investments will have had an impact on ITI's capacity and ability to deal with new customers and increased requests.

In any relationship between a consumer and a business there are always opportunities for errors or misunderstandings. And it is how a business responds to that that is important and despite Mr G's evident frustration, I don't think ITI intended to cause this.

However, it's clear that Mr G has had a very difficult time while his account has been with ITI – from the initial onboarding from the predecessor business until the transfer out which still isn't complete. Mr G has provided plenty of evidence of his proactivity in trying to get action and responses from ITI. He must have been extremely frustrated throughout his relationship with ITI.

Considering all, I uphold Mr G's complaint and ITI has to put the matter right.

Putting things right

To put the matter right ITI should;

- Pay Mr G £300 for the distress and inconvenience he has been caused plus the additional £50 for the delay in ITI responding to his complaint if he wishes to accept it.
- ITI should provide Mr G with an audit trail of his account from the time it was transferred in from the previous business to the date it is fully transferred to Company B. This should include all shareholdings and a cash trail so that Mr G can identify all corporate actions, credits and debits, dividends received, charges taken by ITI plus the payment for Rolls Royce rights issue etc.
- Any cash left of the account should be transferred immediately to Company B.
- As a result of the delays caused by ITI, Mr G was unable to use the money as he wished during this time and I think ITI should pay him interest to make up for that. I think it's fair that ITI pays simple interest at the rate of 8% per year on the amount

retained on his account from two days after his February 2021 instruction – ITI's own guidelines for cash transfers – to transfer to the date of payment. Mr G should provide ITI with evidence of the date he made that transfer request.

ITI must pay the compensation within 28 days of the date on which we tell it Mr G accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of this final decision to the date of payment at 8% a year simple.

My final decision

For the reasons given, my final decision is that I uphold Mr G's complaint and ITI Capital Limited should put the matter right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 August 2023.

Catherine Langley
Ombudsman