

The complaint

Miss S has complained about IG Markets Limited (IG). She said she wants to close her account with IG, but she can't. She said this is because she has two shareholdings that IG currently cannot or won't sell for her. She said IG are charging her fees, for an account she doesn't want. She would like it to waive all fees until the holdings are sold and she can close her account.

What happened

Miss S has two shareholdings on her trading account that she holds with IG. She has shares in ABVC Biopharma worth around £125 and Clarus that are worth less than £1. Miss S said she wants to sell the shares and then close her account. She said she can't do this as IG won't sell them.

Miss S said she cannot sell them and so indefinitely must hold an account with IG. She said she has to pay a custody fee of £24 a quarter and is stuck with this charge. She said IG should waive this fee until the holdings are sold and the account is closed.

IG said in response that it can see Miss S has two shareholdings open. It said it is unable to close her account until the holdings are sold. It said its broker has placed a compliance restriction on trading in ABVC Biopharma, a situation it has no control over. It said Clarus is now not tradable through an exchange and is trading over the counter (OTC).

IG said Miss S could look to find a broker that is willing to sell ABVC Biopharma from her and if she does, then she can arrange for this holding to be transferred to it, to sell them. It said with regards to Clarus, Miss S would need to contact it to instruct its dealing desk to sell the shares for her. It said it can't guarantee that it can find a buyer but given an instruction it would look to find one.

Miss S was not happy with IG's response and referred her complaint to our service.

An investigator looked into Miss S's complaint. She said she didn't think IG needed to take any action. She said Miss S held an agreement with IG and within the terms given there are applicable charges and fees. She could see that as Miss S had open positions still and that IG could still charge a custody fee. She could see that IG had given options for Miss S to sell the shares.

Miss S is not in agreement with the investigator's view. She said she originally offered to renounce her holdings, but IG refused. She said IG is forcing her to continue with her investments, so that she pays the fee. She said it looks like she will continue to pay the charge forever. She asked if our service is serving the customer or serving IG and helping it add to its profits.

So as Miss S still has a dispute about IG her 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've looked at the complaint afresh and I've independently reached the same conclusions as our investigator. I will explain why.

I think it is worth explaining from the outset about the role of The Financial Ombudsman Service as an informal dispute resolution service. Miss S has asked whether our service is serving the customer or IG and adding to its profits. As an ombudsman, I make decisions on the balance of probabilities, and as an impartial decision maker I look to make findings that are fair and reasonable, in this instance, in the circumstances of Miss S's complaint about IG.

Within my remit, I need to consider whether IG have acted fairly when it has looked to apply its quarterly custody fee to Miss S's account. I have also looked to see if it could have done more to sell or help Miss S sell her holdings, as she has requested.

I have looked through the customer agreement that Miss S would have agreed to when she opened an account with IG. I can see within this that there is a section on charges and fees. Clause 5 (2) states that IG will apply its charges to Miss S's account if she holds shares, and this includes a custody fee if she hasn't made a certain number of trades within a quarter. I can see that Miss S would have agreed to these terms when she opened her account, so I don't think IG are being unreasonable in doing this.

Miss S has explained that she isn't able to sell her holdings with IG in the normal way, online on her trading account. She said she has lost a lot of money and has lost interest in trading. She just wants to close her position and close her account.

She said she originally offered to renounce her shares, but IG refused. She said IG is forcing her to continue with her investments, so she pays her fees. I don't agree with Miss S in this regard though. I don't think IG is forcing her to continue with her investments from what I have seen. Rather it is carrying out the service it said it would do within the terms and conditions that Miss S signed up to when she opened her account.

I can also see that IG has acknowledged Miss S wants to close her account and sell her holdings. It has explained the reasons why it hasn't in the past been able to sell them in the normal way and has provided an alternative way that she could try to sell them.

Our service has recently asked IG what the latest position is with both share holdings. IG has told us that Miss S can now sell ABVC Biopharma shares, and they are tradable with it. And with Clarus It has said she can call it to instruct it to find a buyer over the counter. I don't think IG's actions here are unreasonable in the circumstances with regards to the Clarus shares, and with the ABVC shares, based on what IG has said, Miss S can now sell them. It is now up to Miss S to arrange to sell the ABVC shares and ask IG to look to sell the Clarus shares. This seems to me, to be the way forward, so that she can close her account, as she has said she wants to do.

Based on everything I have read and the findings I have given, I don't uphold Miss S's complaint.

My final decision

My final decision is that I do not uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 7 February 2024.

Mark Richardson
Ombudsman