

## The complaint

Mr B complains that Halifax Share Dealing Limited (HSDL) failed to correctly carry out his instruction to transfer **one** holding into his HSDL account, from another investment platform. He says it then provided very poor service when he contacted it about its error and delayed returning his investments to the other investment platform.

Mr B says, not only has he experienced considerable worry and inconvenience as a result of HSDL's errors, he has also lost out financially.

## What happened

On 30 September 2021, Mr B instructed HSDL to transfer **one** holding from another investment platform to his HSDL account.

For whatever reason, HSDL instructed Mr B's other investment platform provider to transfer **all** Mr B's holdings to HSDL. In early October 2021, as soon as Mr B became aware of HSDL's error, he contacted it and asked it to put matters right. HSDL failed to correct its mistake.

Mr B then wrote to HSDL on 26 October 2021, setting out his concerns and asking it to return his holdings (except the holding he had instructed it to transfer). HSDL did not reply to Mr B or take any action following receipt of this letter. Mr B then wrote to HSDL again on 23 November 2021.

On 24 November 2021, HSDL contacted the other investment platform provider to ask for its help in correcting the error. HSDL caused further delays when it rejected the first transfer out request it received from the other investment platform – despite having asked it to make the request. HSDL then delayed approving the second request and Mr B's holdings were not returned to the original investment platform until late January 2022.

Mr B experienced further problems as the holding he had wanted to transfer to HSDL then 'disappeared' from his HSDL account, but was not included in the holdings that were transferred back to the original investment platform.

Mr B told HSDL that he had wanted to sell one of the holdings HSDL had incorrectly transferred in but thought he would not be able to do so until the holding had been transferred back to the original investment platform. Mr B said he had lost around £600 as a result of being unable to trade.

HSDL apologised to Mr B for its failure to correctly carry out his instruction to transfer in one holding, and its failure to arrange for the incorrectly transferred funds to be returned. It also apologised for failing to respond to his letter dated 26 October 2021. It said it had paid £200 to Mr B's bank account to compensate him for the problems he had experienced.

It subsequently offered to pay Mr B a further £200 for the additional problems it had caused when the holding Mr B had wanted HSDL to retain in his account with it 'disappeared'. It said the holding had remained with HSDL but due to a 'keying error' was not visible in Mr B's

HSDL account for over two weeks in late January and early February 2022.

However, it said it did not think it needed to offer Mr B any compensation in relation to his complaint that he hadn't been able to access or trade his holdings for around four months, while the transfer back to the original investment platform was in progress. It said Mr B could have placed trades during this time.

Mr B was not satisfied with HSDL's response and referred his complaint to this service.

Having considered Mr B's complaint our investigator said she felt the offer HSDL had made was fair and reasonable and she didn't think it needed to do any more to resolve matters.

Mr B was not satisfied with our investigator's view. He said, in summary, that it had only taken around two weeks for HSDL to arrange the transfer in of all his holdings. He said that if the transfer back had been arranged as promptly *'all the other problems and specifically my loss of £600 would not have happened ...'* Mr B explained that he *'was in daily expectation'* that his holdings would be transferred back to the original investment platform. And he said he felt it was unfair that, due to the problems HSDL had caused, he had lost out financially.

I issued my provisional decision on this complaint on 26 May 2023. In it I set out that my provisional decision was that Mr B's complaint should be upheld in part. In order to put matters right I said I thought HSDL should pay Mr B a total of £750 for the trouble and upset its very poor service had caused him. I explained my provisional decision as follows:

#### *Transfer of holdings*

I said it was not in dispute that Mr B gave HSDL very clear instructions in September 2021. Not only did Mr B clearly set out his instructions on the transfer form he submitted, he also included a covering letter in which he said:

*To make it doubly clear, the only investment with [name of investment platform] that I wish to transfer to yourselves is in the M&G Securities I Dividend Fund...*

I noted that HSDL accepted that instead of acting on the instruction Mr B had given, it incorrectly requested the transfer of all his holdings from the other investment platform.

As Mr B observed, mistakes can and do happen; it is what a business does to put matters right that is important. I said I thought that HSDL's failure to promptly rectify its error was the crux of Mr B's complaint.

It appeared the transfer request error HSDL made on Mr B's share dealing account was not identified by any internal checks. It only came to light when Mr B telephoned it in early October 2021, to express his concern that it appeared all his holdings had been transferred to HSDL, despite his clear instruction that only one holding should be transferred.

I noted that Mr B said he was assured by HSDL that the error would be *'sorted out'*.

Despite this assurance, by late October 2021, Mr B had still not received anything to show that HSDL had returned his holdings to the original investment platform. Mr B then wrote to HSDL on 26 October 2021. In the letter Mr B explained that as soon as he was aware of HSDL's error he had:

*'... immediately contacted the ... number, and a member of staff called [name] appeared to have dealt with this by enabling the transfer in of the one Fund - an M&G Dividend Fund- and, theoretically, cancelling the unwanted transfer of the other investments.*

*Despite this, the further funds - totalling more than [amount] - appear to have disappeared- until now - into the ether!’*

Although the letter did not specifically say that Mr B wanted to complain about HSDL’s poor service, it contained clear expressions of dissatisfaction. As this was the case, I said I thought this letter should have been treated as a formal complaint by HSDL and acknowledged and investigated in line with the requirements set out in the Financial Conduct Authority’s Dispute Resolution sourcebook.

I noted that HSDL did not acknowledge or take any action in response to this letter.

Mr B then wrote to HSDL again on 23 November 2021, again setting out his concerns and noting that it was now over two months since HSDL’s initial error.

I said I could see from the records HSDL had provided to this service that on 24 November 2021, it contacted Mr B’s other investment platform. HSDL asked it to raise a transfer out request for the holdings that HSDL had incorrectly transferred in. But I said I had not been provided with anything to show that HSDL took any steps to correct its error before this date, despite knowing that it had incorrectly transferred all Mr B’s holdings into his HSDL account in early October 2021.

I explained that, as HSDL would be aware, it is required to act with skill, care, and diligence. I said I could not reasonably find that in this instance HSDL had done so. Beyond a single email to Mr B’s other investment platform in early October 2021, to ask if it could cancel the transfer of all but one of Mr B’s funds, it appeared that it had failed to take any action until late November 2021, after Mr B had written to it twice asking it to put matters right.

I said I didn’t think it was fair or reasonable for HSDL to fail to correct its error, after Mr B had made it aware of the problem in early October 2021. Nor did I think it was fair or reasonable for it to ignore Mr B’s letter setting out his dissatisfaction in late October 2021.

Despite having been told by Mr B’s other investment platform provider that HSDL would need to ‘...*arrange a Transfer IN to [name of platform] for all funds except M&G SECURITIES LTD electronically on Altus*’ on 11 October 2021, I noted there was nothing to show that HSDL took any action until 24 November 2021, after it had received Mr B’s second letter.

From the records I had seen, I said it appeared that Mr B’s other investment platform provider responded promptly to HSDL’s request for help. However, HSDL then caused further delays when it rejected the transfer-in request it had asked the other investment platform provider to submit.

It then delayed the second transfer request for nearly two weeks with a query about Mr B’s ISA contribution for that tax year. I noted that Mr B’s other investment platform had to chase HSDL up about the transfer of Mr B’s holdings back to it.

I said I thought that the delays in transferring Mr B’s holdings back to his other investment platform provider between early October 2021 and late January 2022, were due to HSDL’s continuing poor service. As the transfer back to Mr B’s other investment platform was only necessary due to HSDL’s original mistake, I said I thought that HSDL should have done more to ensure the transfer happened as quickly and smoothly as possible.

I said I must also take into account that Mr B continued to experience problems, due to HSDL’s poor service, even after his holdings had been returned to his other investment platform. I noted that HSDL said that after Mr B’s holdings had been returned: ‘...*a keying*

*error at our end resulted in units in the M&G Dividend Fund not being visible in your HSDL ISA from 25<sup>th</sup> January 2022 till 10th February 2022 when the error was corrected. However I can confirm that the units never left our platform as you had requested that this fund be kept with HSDL'.*

Having very carefully considered this aspect of Mr B's complaint, I said I didn't think the £400 HSDL had offered to pay Mr B was sufficient to compensate him for the trouble and upset he had experienced as a result of its very poor service.

*Could Mr B have placed trades?*

*Mr B explained that he, '... believed that I could not deal with these funds until the transfer back had been completed. I had nothing to tell me otherwise, and Halifax have produced nothing to prove that I knew otherwise'.*

Mr B also explained that in both the letters he sent to HSDL in October and November 2021, he said he thought he '*... was not able to deal with my Funds*'. Mr B said that he had lost around £600 on one of his funds as it fell in value before he was able to sell it.

I carefully considered the points Mr B made in relation to this aspect of his complaint. Having done so my provisional decision was that I didn't think I could reasonably require HSDL to reimburse Mr B for the loss he said he had suffered as a result of being unable to trade.

I said I agreed that it would have been helpful if HSDL had confirmed in response to the letters Mr B sent in October and November 2021, that he could place trades while his holdings were held on HSDL's platform. But I said I must also consider that in the letter HSDL sent to Mr B dated 4 October 2021, about the process for transferring holdings to HSDL, it said:

*You can see information about our full range of share dealing services and register to trade online at [www.halifaxsharedealing-online.co.uk](http://www.halifaxsharedealing-online.co.uk)*

*If you have any further queries regarding this transfer, please do not hesitate to call us on [number] and we will be pleased to help you with your enquiry.*

I said that if Mr B had wanted to sell any holdings and was unsure whether he could do so, I thought he ought reasonably to have contacted HSDL to discuss placing a trade. I noted our investigator also referred to HSDL's terms and conditions. These set out how Mr B could place trades.

That said, I said I was mindful that Mr B expected his holdings to be transferred back to his other investment platform promptly. This was particularly the case given that HSDL had arranged the transfer in of all his holdings so promptly.

I said I had taken this into account when considering the overall award for the trouble and upset this matter had caused Mr B.

I noted Mr B also said he did not give instructions to sell a holding that was sold in late January 2022. From the records I had seen I said it appeared that this holding was transferred back to the original investment platform in-specie. However, I said that if Mr B had anything to show that HSDL had sold this holding (for example a contract note from HSDL for the sale) I would, of course, re-consider this point.

*redress*

Having very carefully considered this matter my provisional decision was that HSDL should pay Mr B a total of £750 for the trouble and upset he had experienced. In determining this level of redress, I took into account:

- HSDL's failure to carry out Mr B's clear instruction to transfer **one** holding to HSDL from his other investment platform provider
- HSDL's failure to identify its error
- HSDL's failure to promptly take steps to correct the error when Mr B notified it of its mistake in early October 2021
- HSDL's failure to acknowledge or respond to Mr B's concerns in the letter he sent dated 26 October 2021
- HSDL's failures in arranging the transfer of Mr B's holdings back to the original investment platform provider promptly in late November 2021. In particular, I noted that it rejected the first request made by the other platform provider and then caused delays in approving the second request
- the further errors made by HSDL that, not unreasonably, led Mr B to think his holding in the M&G Dividend Fund had 'disappeared' and not correcting this error for over two weeks.

I noted that HSDL had offered to pay Mr B a total of £400 for the problems it had caused. I said I didn't think this offer adequately reflected the worry and upset its poor service and errors had caused Mr B. Nor did the offer adequately reflect that HSDL failed to act promptly to put matters right for Mr B, or that once it took steps to return his holdings to his other investment platform it caused further delays and made more errors.

I said I understood that in his letter to HSDL dated February 2022, Mr B had included a cheque for £200, to repay the redress HSDL had credited to his bank account. I said it was not clear whether HSDL had presented this cheque from Mr B for payment.

I said that if Mr B could provide this service with evidence to show that the cheque was banked by HSDL (for example by providing an extract from the relevant bank statement showing the cheque was presented and the money withdrawn from Mr B's account) then HSDL should pay Mr B £750 to resolve this complaint.

If HSDL had not banked the cheque, I said it should pay Mr B a further £550 to resolve this complaint.

HSDL did not respond to my provisional decision.

Mr B did respond. He said he was not happy with the time it had taken to resolve his complaint, but he said he was willing to accept the £750 I had recommended to resolve this matter. Mr B kindly confirmed that he had checked his bank records and it appeared that the cheque for £200 he had sent to HSDL had not been presented for payment.

Mr B said he appreciated that some of the delays he had experienced in getting this matter resolved were due to HSDL failing to respond promptly to requests for information from this service. Mr B suggested that *'...perhaps some punitive awards in the absence of effort from them might get them to have a little more respect for the Ombudsman Service.'*

Mr B also said he had suggested earlier in the process that *'...increasing the trouble and inconvenience recompense would have been an easier way of overcoming the*

*procrastinations of Halifax, and was told that this was not possible’.*

### **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.

Having done so, as Mr B has accepted my provisional decision and HSDL has not responded or provided any fresh evidence or information, I find no basis to depart from my earlier conclusions.

I note the points Mr B has made in response to my provisional decision. I do understand why he feels punitive awards might be a useful tool for this service. However, this service does not have the power to fine or take disciplinary action against businesses, that is the role of the industry regulator, the Financial Conduct Authority.

With regard to the award I have made for the trouble and inconvenience Mr B has experienced, as I set out in my provisional decision, the award is intended to compensate Mr B for the very poor service he has received from HSDL. It was only after carefully considering the extent of the poor service he has experienced that I was able to determine the level of redress I considered to be fair and reasonable.

### **Putting things right**

To put matters right Halifax Share Dealing Limited should pay Mr B a further £550, in addition to the £200 it has already paid him, for the trouble and upset its poor service has caused.

### **My final decision**

My decision is that, for the reasons I have set out above, I uphold Mr B’s complaint in part.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 28 July 2023.

Suzannah Stuart  
**Ombudsman**