

## **The complaint**

Mr S complains about the service provided by Halifax Share Dealing Limited (trading as 'IWeb') when he experienced delays during the transfer of shares.

To put things right, Mr S wants IWeb to pay him financial compensation, including redress for the trouble and upset caused whilst he was trying to resolve the matter.

## **What happened**

IWeb notified Mr S on 27 July 2021 about a corporate event which involved the transfer of shares owned by Mr S from IWeb to an overseas custodian. The notification included a timetable which indicated that a planned distribution was expected to become effective on or around 8 November 2021 and after this, the completion time for the transfer would be around 28 days.

On 31 August 2022, IWeb issued an update to shareholders and said it would give notice when the transfer request had been completed or if it received any further information.

When Mr S subsequently complained to IWeb, it said it was still in the process of moving the shares and unable to confirm how long the process was going to take, but that it would keep him updated by way of online notifications. IWeb didn't agree that there had been any breach of its customer agreement and said it was unable to uphold Mr S's complaint.

In the event, the transfer wasn't completed until January 2023.

When our investigator looked into Mr S's complaint, she explained why she wasn't able to investigate and/or uphold all his complaint points. But she agreed with Mr S that IWeb should have kept him updated on a regular basis given the time taken to complete the transfer and she felt that an amount of £150 was fair compensation for the trouble and upset he'd been caused as a result.

Mr S hasn't objected to anything the investigator said in her view but IWeb has disagreed that any compensation is fair and reasonable in these circumstances. It mainly says that:

- it cannot agree there was any obligation on IWeb to keep Mr S more frequently updated
- it cannot agree that Mr S did not have a sufficient understanding of the situation
- repeatedly chasing IWeb for information about matters beyond its control was an inconvenience brought upon himself, so IWeb shouldn't be penalised for not sending updates.

As the complaint hasn't been resolved informally, it comes to me for a final 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've looked at the complaint afresh and having thought about everything I've seen and been told, I've independently reached the same conclusions as our investigator. The investigator set out a detailed timeline of events and the background facts are not in dispute. So I don't need to say more about what happened. And as Mr S hasn't disagreed with what the investigator said about some of the other points he mentioned to us, save for confirming that I agree with what the investigator said, there's nothing further I can usefully say about those matters.

The crux of the matter now seems to me to be whether IWeb dealt effectively with its part of the transfer process and whether the single update IWeb issued (the notification on 31 August 2022) was fair and reasonable. If not, I need to consider how service failings on the part of IWeb impacted on Mr S and what amount would be fair compensation. So this is the focus of my decision.

I agree that Mr S was entitled to expect a better level of service from IWeb than he experienced. In saying this, I've taken into account that IWeb has said that the underlying company in which Mr S held shares made a decision to move to an ineligible overseas market which caused difficulties for its shareholders and left IWeb unable to follow standard procedure. I've also made allowance for the fact that IWeb needed to forge relationships with unknown foreign bodies in its attempts to find a resolution for its customers.

IWeb said that it went '*above and beyond in its efforts to try and assist these shareholders which they had no obligation to do*' and it's clear to me that IWeb went to some lengths to try and keep things moving. I've given IWeb credit for this and I accept that, based on the information I've seen, IWeb wasn't responsible for much of the delay. But it appears there were weeks at a time when no significant contact or progress was made, and during the months of March, May and July 2022 for instance, IWeb doesn't seem to have taken any steps to chase things up or try to find out what was happening. So I think it's fair to say IWeb could, and should, on occasion have done more to at least try and find out why the transfer was taking so long, so it could update anxious customers affected by what was happening who were reasonably relying on IWeb to keep them informed.

And, crucially to my mind, in this situation IWeb should reasonably have been aware that Mr S was fairly entitled to be kept updated. Although IWeb has said that he should have known he could rely on it to convey any significant development to customers, I think IWeb should have understood that its customers' reasonable expectations would have been based on the information in the corporate action notification and that Mr S was inevitably going to be left feeling anxious and concerned by the delay.

IWeb knew that Mr S was unable to trade his shares or transfer to another provider whilst the matter remained outstanding and, by its own admission, that this was a complicated transaction which was taking a lot longer than Mr S might reasonably have expected. So I think it's unsurprising, particularly when IWeb wasn't giving regular updates to help explain why things were taking so long, that he felt he needed to chase IWeb for information. I think it's likely that IWeb could quite easily have put information on the corporate action section of customers' online accounts, and had more regular updates been provided, it's likely this would have gone a long way towards reassuring Mr S that IWeb was doing what it was required to do at each stage of the transfer – even if the whole process was taking much longer than anticipated.

I can completely understand that what happened was very upsetting and frustrating for Mr S. The sale of shares was prompted in the first place by a corporate action event over which he (and IWeb) had no direct control. One of the main consequences from Mr S's point of view

was that his inability to trade his shares or transfer to another provider left him feeling his shares were '*worthless*'. Given that the matter took 14 months or so overall to complete, which was well beyond the timescale Mr S had been led to expect, it's completely understandable that he felt anxious and worried – a situation that was aggravated by the lack of regular feedback and information from IWeb.

Fair compensation needs to properly reflect the impact on Mr S of IWeb's service failings on this occasion. The £150 suggested by the investigator matches the level of award I would make in these circumstances had it not already been proposed. I don't doubt that IWeb's poor handling of matters, as described above, caused Mr S significant distress and inconvenience. I am satisfied that £150 is in line with the amount this service would award in similar cases and it is fair compensation for Mr S in his particular circumstances.

### **Putting things right**

To put things right for Mr S, if it hasn't already done so, IWeb should pay Mr S £150 compensation for the impact on him of the service failings I have identified.

### **My final decision**

I uphold this complaint and direct Halifax Share Dealing Limited to take the steps set out above to put things right for Mr S. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 August 2023.

Susan Webb  
**Ombudsman**