

The complaint

Mr G has complained about the service he has received from Halifax Share Dealing Limited (Halifax). He said they sold some of his shares to cover an administration fee. He said it should have instead taken the fee from his bank account and that by taking the action it did, he made investment losses. He would like the shares it sold replaced and compensation for distress and inconvenience.

What happened

Mr G has a trading account with Halifax. He said he has held his account for many years. He said he received a letter asking him to update his bank details, so he did. But he found out after this point, that Halifax sold shares in one of his holdings to cover its administration fee. He said it should've taken the fee from his bank account using his updated bank details. He said it sold the shares when the price was low, and after it did the share price went up again. He said he made investment losses because it did this. He wants them to replace the shares and compensate him for the distress and inconvenience he thinks it has caused.

Mr G has showed our service a message it received from Halifax where it said it should have taken the fee from his account cash balance or if not then from his bank account.

Halifax said in response that it asked him to update his debit card details twice, and as Mr G didn't have enough funds on his share account, and didn't have current card details, it sold shares to pay for the fee. It said it did this in accordance with the terms and conditions that applied to Mr G's account.

Mr G was not happy with Business's response and referred his complaint to our service.

An investigator looked into Mr G's complaint. He concluded that in his opinion Halifax made no mistake in applying its terms. He said he could see that it had wrote twice to Mr G asking him to update his debit card details and gave him reasonable notice to do so. He said Halifax then sold shares, as it said it would do within its terms and conditions. He concluded he wouldn't be asking Halifax to do anything further.

Mr G responded to the investigator's view and said he didn't think he had been made aware of the new administration charges in the past. He said he had held his account for a long time and hadn't at any point been notified of any fees. He added that he had never been charged any fees in the past. He disagreed with the investigator.

The investigator sent a second view and responded to Mr G's comments about fees. He had gathered further information from Halifax about what it sent to Mr G, and he could see that it had notified him about the fees on a number of occasions.

Mr G was not in agreement with either of the investigator's views. So as this is the case his 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 am not upholding Mr G's complaint. I will explain why:

- Mr G said he updated his debit card details on an account that he held with Halifax, after receiving a letter about it. He was unhappy to find that it had instead sold shares to pay for an administration fee, rather than use the debit card details he had provided.
- I have looked into this and can see that Halifax sent Mr G two letters on 22 June 2022 and 27 July 2022, requesting that he update his debit card details. I have read these letters and Halifax has said why it was asking him to update these details: because of an administration fee that was outstanding.
- I can see within the second letter sent to Mr G, that Halifax stated it would try and collect the fee for a final time on or around 23 August 2023. It also stated that it would look to sell shares to cover the fee if need be.
- Halifax has said that from its records Mr G updated his debit card details on 22 September 2022, around a month after Halifax said it would collect the fee for a final time. Halifax then said it sent out what it calls a 'sell out fee letter', explaining what it had sold and why.
- I have looked at these letters and the timeline here, and I don't think Halifax has been unreasonable in the action that it took. It couldn't take the fee from Mr G's cash balance on his account, as there were not enough funds on there. It could also see that Mr G's debit card details had expired so wrote to him twice and gave a reasonable amount of time for him to update his card details. When Mr G didn't do so by the date it said it would retry, it sold shares to cover the fee, as it had described within the second letter it sent to him. I can see that it did what it said it would, in the terms and conditions that it applied to the account that Mr G signed up to.
- I can also see from the documentation provided by Halifax that Mr G received letters and a number of reminders about the fees, leading up to August 2022. Mr G was given around 18 months' notice that the fee would be due.
- Overall, I don't think Halifax has done anything wrong here. On balance, I think it has given Mr G enough notice about its fees, has communicated to him what they are and reminded him of when they are due. It has tried to take the fee from his cash balance, then by using his debit card but when it wasn't able to do either, it wrote to him to try and obtain updated card details. When it couldn't do this, it covered the fee by selling shares, as it said it would, in a letter and within its terms and conditions. I don't think it is responsible for any failings here, so it follows that I don't uphold Mr G's complaint.

I appreciate that my decision will be disappointing for Mr G, and I acknowledge the strength of his feelings in the submissions he has provided. But based on everything I have read and the findings I have given, I don't uphold his complaint.

My final decision

My final decision is that I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 October 2023.

Mark Richardson
Ombudsman