

complaint

Mr M complains that Alliance Trust Savings Limited ("ATS") mishandled the transfer of his dealing account and self-invested personal pension ("SIPP") from another provider. He says that ATS' errors caused delays in the transfer process and he has lost money as a result.

background

Mr M wanted to complete the transfer of his portfolios into ATS before the EU referendum on 23 June 2016. Mr M gave instructions to both firms to initiate the transfers on 24 May 2016. But the transfer into the new SIPP at ATS didn't go smoothly. It wasn't fully complete until mid to late July.

During the course of this transfer, Mr M says the following errors and delays occurred:

- Mr M had wanted to buy three stocks, McInroy & Wood Balanced (WVBALC), Fundsmith Equity (FUQUIT), Personal Assets Trust (PNL), initially before the referendum. But he was only able to buy them on 18 July 2016.
- Mr M sold some other shares (LTI) from his ISA on 13 June for around £19,000. Due to an error by ATS, Mr M's account was credited with £1.9 million instead for three weeks.
- There was some confusion relating to several further share sales. ATS ended up duplicating six sales. ATS has accepted this error and offered to compensate Mr M for the additional charges and adverse price changes he suffered as a result. But Mr M hasn't seen any evidence that these corrections have been made.

One of our investigators looked into Mr M's complaint. He contacted ATS several times to get their view and evidence of what had happened. ATS promised to reply but didn't.

Our investigator thought, based on the evidence he'd seen, that ATS had made some errors. He recommended ATS pay Mr M compensation of £5,812 for the delayed share purchases of FUQUIT, PNL and WVBALC.

I wrote to ATS giving them a further opportunity to comment. But ATS still hasn't said anything about Mr M's complaint.

my findings

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, I'm going to uphold this complaint. I'll explain why below.

It's unfortunate that I don't have a business file from ATS. But I'm satisfied that ATS have been given repeated opportunities to provide their evidence and haven't done so.

In the absence of this, the only evidence I have from ATS is their two letters in response to Mr M's complaint. Mr M has sent me his version of events, including copy emails. I've also seen a timeline provided by the firm from which Mr M's portfolio was transferred, which is supported by copy emails showing them chasing ATS for responses at various points.

I note that, in its final response letter, ATS referred to the transferring firm's timeline as "*largely accurate*".

ATS' final response accepted that they had caused "*elements of the delay*". They argued that they weren't "*entirely to blame*" because the sending firm had failed to provide all the necessary information. But if that was the case, I'd expect ATS to have contacted them rapidly to tell them what it needed. I haven't seen evidence that they did this. And indeed, the transfer seems to have ultimately proceeded without this information.

On the basis of this evidence, I'm satisfied that ATS did cause delays in the transfer of the portfolio.

Mr M has told us that he wanted to buy three stocks, WVBALC, FUQUIT and PNL, initially before the referendum. He's provided emails dating from June to his financial adviser as evidence of his intention to buy these shares.

Mr M was only able to buy the shares on 18 July 2016. He's given us a calculation of his loss using 4 July 2016 as the date on which he should have been able to buy the shares. Mr M has calculated that the difference in price between 4 July and 18 July cost him £5,812.

The 4 July date doesn't seem to me to be an unreasonable date – I think it's a date on which the transfer could reasonably have been completed. And it isn't an unreasonably advantageous date for Mr M in terms of the price. So I'm going to agree with our investigator and award Mr M the £5,812.

ATS has accepted that they wrongly credited Mr M's account with £1.9 million from the sale of LTI shares from his ISA. I don't think Mr M has lost out because of this error. But Mr M said that his account now shows the wrong sale date and he would like it to show the correct one. I agree with our investigator that ATS should pass correcting entries so that the correct sale proceeds show on the correct sale date (if this hasn't already been done).

Following the transfer, it's clear that there were a number of errors in reconciling the portfolios. During the course of this, some sales Mr M made while the transfer was under way were duplicated. ATS have accepted and apologised for this error and said that "*corrections have been fully completed to ensure the client was put back in the correct position. Mr M has not been financially disadvantaged as we absorbed any losses involved with the repurchase of the stock previously sold in error.*"

Mr M says he's unclear whether ATS has put him back in the position he would have been in without this error. So ATS should confirm that they've refunded the charges for the duplicated sales and the difference between selling and buying prices.

The delays and poor communication from ATS have clearly been frustrating for Mr M. He has had to chase many times and the problems have caused him to lose faith in ATS' control systems. As I understand it, ATS has offered compensation in the form of a refund of charges amounting to £180 + VAT for this inconvenience. I think this is fair in the circumstances.

fair compensation

In deciding what's fair, my aim is to put Mr M in a position as close as I can to the one he'd probably be in now if ATS hadn't made errors in the transfer process.

To compensate Mr M fairly, ATS must:

- Pay Mr M £5,812, being the amount he lost due to not being able to buy WVBALC, FUQUIT and PNL shares between 4 July 2016 and 18 July 2016. Interest should be added to this amount at 8% per year, from 18 July 2016 until the date of settlement. This interest is compensation for being deprived of the use of this money from the transaction date.
- Pass correcting entries so that Mr M's sale of
- LTI shares from his ISA shows for the correct amount on the correct date (if this hasn't already been done).
- Confirm that they've refunded the charges for the duplicated share sales and the amount lost on the price as a result of buying the shares back. If ATS haven't already made this refund, they should add interest to the amount refunded at 8% per year, from the date of the share purchases until the date of settlement.
- Confirm that they have refunded £180 + VAT, as promised in their letter of 23 February 2017, as compensation for the inconvenience and frustration caused by the delays and errors.

In view of the communication issues in this case, I direct ATS to provide Mr M with statements showing that they have made the above changes and refunds.

Income tax may be payable on any interest awarded.

my final decision

I uphold Mr M's complaint. My decision is that Alliance Trust Savings Limited should take the actions and pay the amount calculated as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 June 2017.

Louise Bardell
ombudsman