

The complaint

Mr V complains that Wise Payments Limited (Wise) issued him a cash payment instead of bonus shares as the incentive for its 'OwnWise' programme.

To put matters right, Mr V wants Wise to compensate him for the additional costs he will incur if he now uses the money he received to purchase Wise shares. He would also like it to compensate him for having to hold any shares he purchases outside his ISA wrapper and for any increase in the share price.

What happened

I understand that in mid-2021, Mr V was invited to participate in 'OwnWise'. The offer set out that if investors bought and held shares in Wise for 12 months they would receive 'bonus shares'. They would receive 5% of the initial value of the shares purchased in 'bonus shares', up to a maximum value of £100, per customer.

In order to participate in the offer Mr V bought shares in Wise, provided Wise with proof of his shareholding and then held the shares for 12 months.

In May and June 2022, Wise contacted Mr V's stockbroker to arrange a bulk transfer of the bonus shares to all the eligible shareholders who used the stockbroker. Unfortunately, it was unable to make arrangements for the bulk transfer of the shares to Mr V's stockbroker.

As it was unable to arrange for the shares to be transferred to Mr V's stockbroker, Wise sent Mr V the cash value of the shares he would have received if it had been able to arrange to transfer the shares to Mr V's stockbroker.

Mr V complained to Wise. He said, in summary, that he felt it should have done more to arrange the transfer of the shares. He said he had lost out financially as the share price had increased and he will incur dealing costs if he uses the cash he received to buy additional shares. He also noted that he held the Wise shares in an ISA wrapper, so had lost out on the tax advantages he would have benefitted from if the bonus shares had been allocated to his ISA.

Wise did not uphold Mr V's complaint. It explained that it had made several attempts to arrange the bulk transfer of the shares to Mr V's stockbroker but hadn't received a reply. As it hadn't been able to arrange for Mr V, or any other shareholder who used the same stockbroker as Mr V, to receive the shares it said that, in line with the terms and conditions for Wise's 'shareholder program' it had instead provided Mr V '*...with a cash incentive rather than a bonus share incentive*'.

Mr V was not satisfied with Wise's response and referred the matter to this service.

Our investigator said that he didn't think Mr V's complaint should be upheld as Wise had tried to contact Mr V's stockbroker to arrange a bulk transfer but had not been able to make the necessary arrangements. He said he was satisfied that it had acted in-line with its terms and conditions when it had paid Mr V a cash incentive as it was unable to arrange for the

bonus shares to be transferred to Mr V's stockbroker.

Mr V was not satisfied with our investigator's view. He said he felt Wise '*...should have given me opportunity to resolve any problems which stopped them from issuing bonus shares instead of unilaterally deciding that they will provide cash*'. He said his stockbroker had told Wise to '*follow proper channels*' but it had failed to do so.

Mr V also reiterated that he had lost out financially as he had received cash rather than bonus shares.

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 sympathetic to Mr V's position, but I don't think Wise has acted incorrectly in this matter or treated Mr V unfairly. I'll explain why.

Wise has provided this service with evidence to show that it made several attempts, both by telephone and email, to contact Mr V's stockbroker in May and June 2022. Despite this it appears that Mr V's stockbroker did not engage with Wise. I can't reasonably find that Wise was required to do more than it did to engage with Mr V's stockbroker.

I appreciate that Mr V feels Wise should have contacted him and given him the '*... opportunity to resolve any problems which stopped them from issuing bonus shares instead of unilaterally deciding that they will provide cash*'. However, there was no requirement on Wise to contact Mr V to see if he could liaise with his stockbroker on its behalf. And even if Wise had contacted Mr V about the difficulty it was having contacting his stockbroker, I am mindful that Wise needed to arrange a bulk transfer of the shares, not individual transfers to shareholders. Mr V would not have been in a position to require his stockbroker to respond to Wise about a bulk transfer.

I appreciate that Mr V feels he has lost out financially but the terms and conditions for the 'OwnWise' offer set out:

3.2 By registering your interest, you as the applicant shall:

3.2.10 I agree that Wise reserves the right to alter any arrangements in connection with OwnWise (including the criteria or timetable for the grant of any OwnWise benefits and these terms and conditions);

In view of this, I can't reasonably find that Wise was not permitted to make a cash payment to Mr V for the value of the shares he would have received if it had been able to arrange for the bonus shares to be transferred to his stockbroker.

I do understand that this is not the decision Mr V was hoping for. But, having carefully considered this matter I am satisfied that Wise made reasonable efforts to contact Mr V's stockbroker to arrange for the bonus shares to be transferred. As it was not able to arrange the transfer, in line with the terms and conditions of the 'OwnWise' offer, I am satisfied that Wise was permitted to '*alter any arrangements in connection with OwnWise*' and issue a cash payment instead of the bonus shares.

My final decision

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 3 October 2023.

Suzannah Stuart
Ombudsman