

The complaint

Mr N complained that Computershare Investor Services Plc (Computershare) did not provide him with enough information, so that he could calculate his tax liability. He said he was not able to know whether he could sell more shares or not and this created investment losses for him.

What happened

Mr N was part of a share incentive scheme that Computershare managed. In April 2022 he went to sell 300 shares, a proportion of his overall holding, and had worked out the average buy price in relation to the price he sold at, working out that he would be within the capital gains tax allowance for that tax year.

Mr N said that after he had sold these shares, he saw that the purchase price given on the system by Computershare was £0. Mr N said that this was incorrect and that using this purchase price would mean that he would be well over his capital gains tax allowance for the year. He said Computershare had made a mistake that needed correcting and that it needed to put the correct purchase price on its system, so that he could properly calculate his potential tax liability and then assess whether he could sell any more shares.

Mr N said that by providing the incorrect information of a purchase price of £0, he was unable to decide whether to sell any more shares and so he has been disadvantaged by this, as he potentially missed out at selling at a higher price. He said he also needed the correct information so that he was able to prove to HMRC that he was within the capital gains tax allowance for the year. He made a complaint about this initially to Computershare.

Computershare replied and explained that there was a migration to a new system, and this led to any existing shareholdings not showing a purchase cost. It said the system it used was not programmed to store the cost basis. Any purchases that were carried out on the new system would have a purchase cost, however.

It said the absence of cost data formally held on a previous system was not the result of an error, rather the previous system was not designed to hold that information. Therefore, there was no suitable data to migrate across. It said it was possible to work out cost data by interrogating archive records and that it had provided a spreadsheet to Mr N so he could do this. It offered £100 in recognition of what it called the time and trouble caused.

Mr N wasn't happy with Computershare's response so referred his complaint to our service. He summarised the issues he was unhappy about. He asked how Computershare can think that its ok for their members to purchase shares on the market, then apply a zero-purchase price against them. He requested that Computershare provide him with the true cost of the gain he made of each share he sold so that he could calculate his gain, and he said he wanted compensation for not being able to sell more shares when the market price was at its

peak. He also said the compensation offered as a gesture of goodwill was an insult and turned it down.

Our investigator recommended that Mr N's complaint be partially upheld. She concluded Computershare hadn't acted fairly. She felt it should be able to provide Mr N with all the appropriate information he needed to correctly calculate his tax position. She felt a higher payment for distress and inconvenience should be paid from £100 to £250. She also concluded though, that she would need to see further evidence that Computershare not providing information, prevented Mr N from selling more shares.

Computershare agreed with most of the investigator's view. It said it would pay the additional compensation that made the payment up to £250 and that it would be happy to consider any evidence provided by Mr N regarding him selling more shares. But it said it had provided Mr N with enough information within a spreadsheet so that he could make the calculation himself and work out his tax liability. Mr N said he disagreed with the investigator's view. He said Computershare should have provided him with information about how much he made on each share sold.

After our investigator issued her view, Mr N told our service that he had now received the information he needed from Computershare. He said he contacted the custodians of the shares and managed to obtain the information he needed this way from Computershare. He said Computershare were made to supply the details of the shares he sold, and the gains made.

The investigator asked if Mr N still would like an ombudsman to look into his complaint. Mr N said he would and so his complaint 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 have read all submissions provided by both parties and in doing so I think it is worth explaining from the outset about the role of The Financial Ombudsman Service as an informal dispute resolution service. As an ombudsman, I make decisions on the balance of probabilities, and as an impartial decision maker I look to make findings that are fair and reasonable in the circumstances of a complaint. My role does not involve applying any regulatory or disciplinary powers and it is not in my remit to tell a business how it should or shouldn't operate. Rather, I need to consider here whether it has acted fairly or not when it has provided its services to Mr N.

I am partially upholding Mr N's complaint, and these are my findings that explain why:

- Mr N's complaint has come about because Computershare recorded his 300 sold shares in April 2022 as having a purchase price of £0. Mr N has said this has meant, if he used this figure, that he would go over his capital gains tax allowance and have to pay tax. Mr N said this figure was wrong and his purchase price for the shares averaged out, meant that he would be within his allowance.
- Computershare says it has provided Mr N with the information he needed for him to carry out his own tax calculation in the form of a spreadsheet. It initially said it didn't need to do any more than this.

- Mr N has recently said he has now obtained the information he needed, by contacting the custodians of the shares. He said Computershare had been made to supply details of each share sale. After reading this, I can see that Mr N has got the information he now needs and so I don't need to make any conclusions on this or comment on it any further. How Computershare deal with providing information to Mr N in the future is a matter for it to consider. Mr N can make a complaint first to Computershare and then to our service if he is unhappy with how Computershare deals with his request for information going forward, as he has done in this instance. As I have said above, I do not have any regulatory powers and it is not within my remit to ask Computershare to change the way it delivers its services. But I do acknowledge that Mr N has had a difficult time in obtaining the information he needed.
- I can see that Mr N has been caused distress and inconvenience for dealing with the issues he has raised. Computershare has agreed to pay £250 for this and I think this sum is fair and reasonable in all the circumstances of his complaint, taking into consideration all that has been said already.
- Mr N says that if he had obtained the information he required earlier, then he potentially would have sold more shares. He says this is because he would've been able to work out how much of his tax allowance he had used up and how much of it he still had left.
- I have considered what Mr N has said here carefully. But I have not seen enough evidence from him that would support his view that he would have sold more shares at an earlier time.

Looked at overall, I can see Computershare has now provided the information Mr N needed to carry out his calculation for tax purposes. So, it doesn't need to do any further in this regard. I have not seen enough information that on balance, persuades me that Mr N would've sold further shares if he had obtained what he needed from Computershare. But I do think Mr N has suffered distress and inconvenience and Computershare should pay £250 in recognition from this.

My final decision

Computershare Investor Services Plc has already made an offer to Mr N to pay £100 to settle the complaint. It has agreed to pay an additional £150, which I think is fair and reasonable.

So, my decision is that Computershare Investor Services Plc should pay £250 in total if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 4 July 2023.

Mark Richardson
Ombudsman