

The complaint

Mr R complains about Computershare Investor Services Plc, ('Computershare'). Mr R had a share incentive plan. He says Computershare failed to notify him of the options available to him when he retired, and it then sold his shares without his authority. So, to put things right, he'd like compensation for any loss he may have suffered due to this, as well as for the distress and inconvenience it caused him.

What happened

Computershare had a Share Incentive Plan ('SIP') which Mr R was a member of. Mr R purchased shares in his employer through this scheme. Mr R retired in September 2021 and at this point he was no longer eligible to participate in the SIP.

He was told by his employer that Computershare would be in touch to discuss what options he had going forward. Mr R says he didn't receive this information. And he says that despite this, the next thing that happened was that Computershare sold his shares and provided the proceeds to him.

Computershare has explained that under the terms of the SIP, Mr R had 30 days to complete his 'Leave Election' which in broad terms were to sell or transfer the shares. If he didn't do this, then what it called the default action was applied. That is when the shares are sold by default as no instruction has been received.

Computershare hasn't upheld Mr R's complaint about the information it provided. It thinks it gave the correct information to Mr R about the options he had, but as he didn't respond, his shares were sold after the 'default period' had ended.

It did say, at one point, that the email it sent to Mr R on 9 October 2021 didn't contain any text – and Mr R has provided a copy of the 'blank' email. Computershare offered Mr R £50, later it increased this to £100, for this error. But its complaint responses maintained that correct information was provided to Mr R and it acted correctly when it sold his shares

Mr R didn't agree and brought his complaint to the Financial Ombudsman Service.

Computershare has clarified in the evidence that it has provided to the Financial Ombudsman Service that its records show an email was sent to Mr R after it was notified that he had left his employer. And this email was unlikely to be 'blank'. The email did contain information about what Mr R's options were for the shares within the scheme and how Mr R could exercise these. And Mr R logged onto the online system in response to this email. It thought that its case handler was mistaken when he upheld the complaint because the email it sent did not contain any information.

Computershare initially didn't think the complaint was within the jurisdiction of the Financial Ombudsman Service due to the service that it offered. An Ombudsman has considered whether the Financial Ombudsman has jurisdiction to consider this complaint and issued a decision that it has. I won't detail what the Ombudsman said as all parties are aware of it. I

don't disagree that this complaint is within the jurisdiction of the Financial Ombudsman Service.

One of our Investigators considered the complaint but didn't think that it should be upheld. This was because the evidence she had seen showed that:

- Computershare emailed Mr R with his options on 9 October 2021.
- Mr R logged onto the online platform on the same day, and he would have been able to choose what he wanted to do with the shares.

Mr R hasn't agreed with our Investigator. He said the email correspondence that Computershare had sent was 'blank'. And when he logged on to the online platform there were no tasks for him to complete. He says that he didn't receive any information that would have allowed him to make a reasonable choice about what to do with his shares.

There was some further correspondence, but our Investigator didn't change their opinion about the complaint and no new issues were raised.

The complaint has now been passed to me to make a 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.

Mr R has complained that he wasn't given the correct information about how to exercise his SIP share options and keep the shares, rather than sell them. I've firstly looked to see if this was the case.

Computershare says that it emailed Mr R with information about his options for the SIP shares. This email was sent on 9 October 2021. Mr R says this email contained a subject line, but the body of the email had no text in it. Computershare thinks that it would have sent a full email and that Mr R may have had problems opening it. But I can't be certain which version of events is correct here.

Computershare has provided a copy of the email that it would have sent Mr R. I won't recreate all of the text of it (as everyone is aware of it), but the crux of the message Computershare says it would have sent Mr R was that he should log on to the online system and complete the SIP task he had.

Computershare's records show that Mr R did log on the same day he received this email. So, I don't think it's material to fully determine whether Mr R received a complete email or not. As the purpose of it was to encourage him to use the online service and he did do this.

As I've outlined above, Computershare has provided its internal records that show the task he needed to action in relation to the SIP was active from 8 October 2021 to 7 November 2021. I think it's likely that this task was on the system. So, Mr R would have been able to make his choice when he logged on. Or seek further help or information if this is what he needed to do.

So, I don't think I can say that it's been established that when Mr R didn't exercise his option to keep his SIP shares, that it was due to the action, or inaction, of Computershare. And so, I think it was correct to have sold Mr R's shares under the 'default option' rules of the SIP as it didn't receive an alternative instruction. So, I'm not upholding Mr R's complaint that he would

have elected to keep the shares held in the SIP if he had been given the correct information by Computershare.

That said it would have been better if Computershare had been able to properly evidence sending Mr R a full email. And the shares seem to have been sold without notice and without any surrounding communication, which I don't think is good customer service.

Computershare has offered Mr R £100 in total to compensate him for any distress and inconvenience these customer service issues have caused him. And I think this is fair. I understand it has already paid £50 of this.

My final decision

Computershare has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Computershare Investor Services Plc should pay £100. This is in total, and it only needs to pay the remainder if it has already pay some of this to Mr R.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 10 May 2024.

Andy Burlinson
Ombudsman