

The complaint

Mr J complains about Computershare Investor Services PLC ('Computershare'), He says that Computershare sold his share incentive plan shares without his knowledge, and without warning him that it planned to do this.

What happened

Mr J initially complained about an issue with one of the dividend payments as well. He now says this has been resolved, and so I won't address this part of his complaint here.

Mr J retired in late 2020. In his employment he had contributed to a share incentive plan ('SIP') and a save as you earn plan ('SAYE') scheme. Mr J could no longer participate in these schemes after his retirement.

Mr J has provided correspondence between, him and his employer, and him and Computershare, that shows he was actively trying to find out what to do about these shares.

Computershare said it informed Mr J on 6 March 2021 that he needed to provide some information. In the email I've seen Computershare told Mr J that *'there has been a change to your employment status and you may need to take action.'* And that he should log onto his online account and complete any tasks that were available to him.

Mr J logged into his online account on 9 March 2021 and completed the task for his SAYE plan.

Computershare has confirmed that there was no task for him to complete in respect of the SIP. The task for the SIP was not added until 18 March 2021 and was due to be active initially until 17 April 2021. However, the shares were sold on 13 April 2021. This was a default sale under the plan rules due to the time that had passed since Mr J had left his employment. And that no instruction had been given about what to do with the shares.

The next time Mr J logged into the system was 14 April 2021. He was unable to take any further action at this time.

Computershare has also confirmed that it didn't inform Mr J that he had a second SIP task to complete at any point. And no separate information, such as a leaver pack, would be issued in respect of the SIP as it had been for the SAYE arrangement.

Mr J has complained to Computershare on the basis that the information he has received was sporadic and not straightforward. This led to it being unclear to him what he needed to do with these shares and led to him giving instructions about what to do with the SAYE shares but not the SIP. This has led to his SIP shares being sold by default on the expiry period but he didn't want this to happen.

Computershare has responded to Mr J's complaint and it has not upheld it. It referred to some of the SIP terms and conditions which said;

'If I leave the Company and do NOT provide the Trustees with instructions as to how to deal with my shares within 31 days of being written to by the Trustees they will be administered as follows; should I leave relevant employment of the company for any of the following reasons; the Trustees will automatically sell all of my shares and remit the proceeds to me once the necessary deductions have been made to cover any income tax or National Insurance Contributions which may have arisen.'

Computershare said it sent a leaver notification to Mr J's registered email address on 6 March 2021 and therefore gave more than 31 days' notice. It offered £25 compensation as it did not consider Mr J's complaint within reasonable timeframes. It later increased this to £100.

Mr J didn't agree with Computershare and brought his complaint to the Financial Ombudsman Service.

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 this complaint and has upheld it. She said that by treating Mr J's two accounts differently he was likely to have been under the impression that he had more time to choose what to do with the shares in the SIP. And the terms and conditions for the SIP suggested he had more time to action any tasks he had.

She thought that Computershare should pay Mr J the difference between what the shares were sold for in April 2021 to what they would provide at the present date. And if Mr J would have received any dividends, then the value of these should be paid to him plus interest for late payment. She thought Mr J should also receive £200 for the distress and inconvenience this caused him.

Mr J responded and, after some clarification about the compensation, agreed with our Investigator.

Computershare responded and didn't agree. It again referred to the terms and conditions of the SIP which say that the securities must be removed from the trust, and it would notify Mr J when this would need to have happened by. So, it was reasonable to assume that Mr J would have expected to take action, and he should have questioned when this didn't happen. He was informed what would happen if he left employment in the terms and conditions of the schemes.

Our Investigator didn't agree and maintained that Mr J logged on and completed the SAYE task when requested to do so. So, if Computershare had informed him, he also needed to complete a SIP task he would have done this. It wasn't fair to penalise Mr J as Computershare didn't upload both tasks. This would have been confusing for Mr J and could have led to him not acting.

Computershare agrees that a task should have been in place when it informed Mr J he should log on. But it still thinks that Mr J would have been aware from the plan documentation that he needed to take action in relation to the SIP. And in the absence of the SIP tasks, he could have queried this with the Computershare or his employer. Which he did not do. The clock didn't restart as this was based on his leaving date which would not change.

As no agreement has been reached the complaint has been passed to me to consider.

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 J has complained that he found the process he needed to follow after he left his employment, in respect of these investments, to be confusing. And this led to him not actioning the tasks he should have done on the online platform in respect of his SIP.

Having looked at everything I don't think that Mr J was provided with the information that he should have been. It's established that he was informed on 6 March 2021 that he had to choose his options about his SAYE scheme and he did this on the 9 March 2021. At the time when he did this the ability to choose the options for the SIP scheme was not available to him. The option to make the choice for the SIP was added on 18 March 2021 but Computershare didn't inform Mr J that he had further tasks to complete.

I think Computershare should have either put both tasks on at the same time, and informed Mr J that he had options with both schemes. Or sent two separate notifications that he had online tasks to complete. I think it's established, and largely agreed, that Computershare should have done this.

It seems clear to me that Mr J was actively looking for information about what he needed to do in respect of these shares. And having looked at the information he was provided, I think he would have been confused as to what he needed to do. It would have been reasonable for Mr J to think that he had made all of the choices that he needed to, or that he would have more time to make these choices.

So, I've thought about what Mr J would have done if Computershare had not made these mistakes and Mr J was in receipt of all of the correct information he should have been provided.

As I've said above it's clear that Mr J was actively looking for information about what he should do. And when he was given an instruction about the SAYE scheme, he acted promptly to complete the task. So, I think if Computershare had informed Mr J that he needed to complete a similar task in respect of the SIP scheme he would also have logged on and completed this. And it's likely he would have chosen to keep the shares as he now says.

Computershare has said that it acted correctly when it sold the shares as the terms of the scheme do say that they will be sold at a set time after Mr J left employment. And Mr J should have been aware of this aspect of the terms of the scheme and acted himself to find out what he needed to do with the SIP investment.

I think it's reasonable to put more weight on the email correspondence that was provided to Mr J as this was more immediate to him. This was misleading and would have added to his uncertainty about what to do. And even if Mr J was aware of the terms and conditions it's reasonable for him to have assumed the correspondence from Computershare reflected this and was correct. I don't think it did this as Mr J wasn't contacted about the SIP and he wasn't given 31 days to make his choice, as he should have been.

I think if Mr J had been given the correct information, then he would have chosen to keep the shares – as he could do. And Computershare should pay compensation on this basis.

Putting things right

Computershare should calculate and pay the following compensation:

- It should obtain the value Mr J received from the sale of the shares on 13 April 2021.
- It should calculate the value Mr J's shares would have had if they had not been sold as soon as possible after Mr J accepts the decision ('the settlement date').

If the value, the shares would have had at the settlement date is more than he received on 13 April 2022 then Computershare should pay Mr J the difference.

Computershare must also pay Mr J the value of any dividends that would've been accrued between 13 April 2021 and the settlement date. Computershare should add interest at the rate of 8% simple to each of these dividend payments from the time they should have been paid to the date of loss calculation.

If Computershare considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr J how much it's taken off. It should also give Mr J a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

I agree that this issue has caused Mr J some distress and inconvenience as he says. Mr J has put in a significant amount of work to resolve this. I agree that Computershare should pay Mr J an additional £200 in compensation for this distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr J's complaint.

Computershare Investor Services Plc should put things right by doing what I've said above. And Computershare Investor Services PLC should provide details of its calculation to Mr J in a clear, simple format.

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

Andy Burlinson
Ombudsman