

The complaint

Mrs B complains about not being able to exercise the option she wanted for the employee share plan managed by Computershare Investor Services Ltd.

What happened

Mrs B elected to be part of the employee share plan (the plan) provided by her employer and managed by Computershare. She paid an amount from her salary money every month into this and the terms of the plan allowed that at the end of the savings period she had the option to take her savings as cash or instead buy shares in her employer at an option price set out in the plan brochure.

The brochure states that there is normally a six month period from the end of the savings period to decide what to do but that if the employee leaves employment through retirement, redundancy, injury, or disability during the savings period that Computershare would contact the employee and provide details of the choices.

However, the brochure indicated, as a guide, that in those circumstances the employee would be able to buy a reduced number of shares, take the savings or continue savings until the end of the savings period – although warns that if the maturity date is more than six months away it would only be possible to take the savings, not purchase shares.

Mrs B elected to join the plan on 18 December 2020 on the basis she would save £100 each month over a savings period of three years. However, Mrs B left her employer by way of voluntary redundancy on 6 May 2022 with the plan due to end in 2023. She decided to continue paying into the plan for a further six months but with the intention of opting to purchase shares with her savings.

However, whilst Mrs B had an app which showed her options, she said the only one specified was to return her savings, which she didn't want. She says she thought her options would change once she had made the final payment but they didn't and when she contacted Computershare on 9 November 2022 she was told she had missed the cut-off date and her only option was to have her savings returned.

Mrs B complained to Computershare which in response stated that in the six month window Mrs B had to exercise her options there was no restriction on these and as there was no election before the end of the six months the only choice she had was to take the savings. It explained that it is bound by HMRC guidelines under which Mrs B needed to make her election before the end of the six month period. It also said that whilst Mrs B had said that not all the options were made available to her through the app as there wasn't enough evidence she had technical issues and didn't communicate any error to it so it could be rectified it was unable to reinstate her options.

Mrs B referred her complaint to our service and it was considered by one of our investigators. She didn't uphold the complaint and made the following key findings:

- Mrs B had until 6 November 2022 to exercise her options, which included the option

of purchasing shares, after which the only option was to withdraw her savings.

- Computershare emailed Mrs B before the expiry date of her of her options, warning that her options would expire.
- There is no evidence that Mrs B was told she should wait until after the last payment before exercising her options, as she has said she was told.
- As Mrs B contacted Computershare after the six month deadline it is unable to reinstate her options.
- There is no evidence that the only option available to Mrs B in the six month period was to take her savings.

Mrs B didn't agree with the investigator. She said she didn't receive five emails from Computershare and did everything she was advised to do. She says she feels let down by her employer and the app, which didn't allow her to take up the option she wanted.

As Mrs B didn't agree with the investigator the matter has been referred to me for review.

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 must determine a complaint by reference to what, in my opinion, is fair, and reasonable in all the circumstances of the case. In making that determination I must take into account but am not bound by; relevant law and regulations; regulators' rules, guidance, and standards; codes of practice; and (where appropriate) what I consider to have been good industry practise at the relevant time.

My findings of fact are made on a balance of probabilities – what is more likely than not – and it is for me to decide what weight to give to any evidence provided by the parties.

I am sorry to disappoint Mrs B but I am not going to uphold this complaint, for the same reasons as the investigator set out in her opinion. I appreciate that Mrs B has lost out on exercising the option she wanted to exercise under the plan she paid money into. However, I am unable to find that Computershare is responsible for her not being able to exercise that option.

Mrs B had six months in which to exercise the option she wanted once she left her employment and she didn't do so. Once the six months had elapsed Computershare was unable to do anything other than pay her savings to her.

Mrs B has said that in that six month period her app didn't identify any option other than for her to take her savings but there is no evidence to show this was the only option provided through the app. Moreover, from what Mrs B has said, she intended to pay in for a further six months 'as allowed' and intended to exercise the option to purchase shares. So she knew she could only pay in for a further six months and that she needed to exercise the option she wanted. In other words, she knew how the plan worked for someone who had left employment.

She says she thought the option to purchase the shares would be shown on the app after the last payment and she would be able to exercise this option at that point. But given she knew one of her options was to purchase shares and this is what she wanted to do and that

she knew she could only pay into the plan for a further six months it would be reasonable to have expected her to check with Computershare why this wasn't showing on her app as an option, before the six months expired.

It seems to me it should have been clear to her that if the option to purchase shares wasn't showing there was an issue with the app which needed to be addressed. If she had contacted Computershare about this it could have resolved any issue before the end of the six months.

However, from what Mrs B has said she still wouldn't have exercised the option to purchase the shares before the six month deadline - because she says she was informed she should wait until after she had made the last payment into the plan before doing so. As with what she has said about what the app showed, there is nothing to support what she has said about what she was told and her statement of itself isn't persuasive evidence. In the circumstances I am not satisfied that she was misled by Computershare as to when she should exercise the options she wanted.

Moreover, Computershare emailed her on four occasions warning her about the approaching expiry of her options – at 60 days, 30 days, 15 days, and 5 days before the date of expiry. In the circumstances whatever she may have been told, it provided reasonable written warning to Mrs B that she needed to exercise the option she wanted before the expiry date.

Mrs B has said she didn't get those emails but from the information provided by Computershare they were properly addressed to the email address she has provided to our service in respect of this complaint. In the circumstances, it is more likely, than not, they were received. I accept they may have gone into her spam folder, but if they did, or Mrs B didn't see them for some other reason, I can't blame Computershare for this.

As I have said, I know my decision will be disappointing to Mrs B and that from her perspective she hasn't done anything wrong. However, regardless of this, I could only uphold this complaint if I was satisfied that Computershare had done something wrong – and there is no persuasive evidence that it did.

My final decision

I don't uphold this complaint for the reasons I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 25 April 2024.

Philip Gibbons
Ombudsman