

The complaint

Mr P complained about Equiniti Financial Services Limited (Equiniti). He said he sold shares held with Equiniti, but he had to wait around two weeks before he knew where the funds from the sale of his shares were.

Mr P said Equiniti has caused him distress and inconvenience and he would like compensation for this.

What happened

In 2018, Mr P transferred his BAE shares to Equiniti. On 29 August 2023, he gave Equiniti instructions to sell his BAE shares, and this raised him around £58,341.

Mr P said the funds from the sale did not appear in his bank account, despite Equiniti telling him it had sent the funds. He said he had to continuously chase this up with it, and he received mixed messages about what had happened to his funds. He said on two occasions Equiniti told him the money had been sent to his account, when it hadn't.

Mr P said Equiniti told him there was an issue with his name not matching, and so he had to provide some documents to it, before the money could be released to him. He said the funds disappeared at a time he needed proof of funds for a house purchase. He said it was stressful not knowing what had happened to his money. He said Equiniti could have communicated what had happened to him but instead were incompetent and had told him the money had been paid when it still held it. He complained to Equiniti about this.

Equiniti said in response that it was Mr P's responsibility to ensure the name and address on the dealing transaction was correct and matched up with the same details on the share register. It said this was the cause of the delay as the two needed to match, and it needed to ensure they did, so it met its obligations under anti-money laundering regulations.

Equiniti said it was sorry for giving conflicting information during a phone call and saying that the payment had been sent to his account. It said it should have also got in contact with Mr P sooner, as it couldn't open documents he had sent.

Equiniti said though, that this aside, it needed to request additional documentation to enable it to verify Mr P's identity so additional documents were required. It said once these were received from Mr P, they didn't match. So, it asked for a one and same letter, to confirm his identity. It said, it then worked on a way internally to resolve matter, as a one off, as it had made mistakes in Mr P's case. It said it resolved things and then sent the money to Mr P.

Equiniti offered Mr P £125 compensation for the distress and inconvenience it caused.

Mr P not happy with Equiniti's response and referred his complaint to our service.

An investigator looked into Mr P's complaint. He said he didn't think Equiniti needed to take any action. He said he agreed with Mr P that it was very disappointing that Equiniti twice

informed him that the withdrawal had been sent when it hadn't and that it failed to inform him it had been unable to open an email

The investigator went on to conclude that he was satisfied that Equiniti had apologised for its errors and offered a fair payment of £125 compensation for this too. He said he was satisfied it was suitable for the distress and inconvenience it had caused.

Mr P is not in agreement with the investigator's view. He said he agreed it was very disappointing that Equiniti twice informed him the withdrawal had been sent to his bank account.

Mr P said from the time Equiniti told him his withdrawal had gone into his bank account until the time it told him the withdrawal was still with it, he was convinced the money had gone missing. He said the time period where he was stressed about this, was caused by Equiniti and its failings.

The investigator responded and said he could see that on 4 September 2023 Mr P was told the withdrawal payment was sent to his account and he found out it wasn't. Then 2 or 3 days later he was told by Equiniti that it still had his funds. He said it caused uncertainty for 2 or 3 days, but it has offered £125 compensation for this and said sorry, so he didn't uphold Mr P's complaint.

Mr P said he was deeply concerned that his funds were missing from 4 September 2023 to 15 September 2023 – this being nearly 2 weeks and not two / three days mentioned by the investigator. He said this was a longer period of time for him to have to deal with the worry of not knowing where his money was.

Because the parties are not in agreement, Mr P's complaint has been passed to me, an ombudsman, to look into.

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 can see Equiniti needed to satisfy its obligations under anti-money laundering regulations. It needed to ensure that the information it held about Mr P and his shares matched with the information held on the share register.

I think it's worth me saying at this point, that it is Equiniti's responsibility to follow the rules set by the regulator, and this includes regulation about anti-money laundering. I can see by asking Mr P for further information from the outset, it was looking to meet its obligations in this regard. I don't find any fault with the approach Equiniti looked to take, when it asked Mr P for more information.

Mr P queried one or two issues with how Equiniti went about trying to match up the information it held with the information the share register held about him. He queried why Equiniti didn't ask for this information sooner and why it, in the end, solved the problem internally without him needing to provide a legal document from his solicitor, as it had requested.

I can see that in both these instances Equiniti has provided a response that I think explains its position and seems plausible and reasonable. Equiniti said in previous transactions regarding the shares in question, Mr P didn't sell enough shares to meet the threshold, for it to require him to provide information. And in terms of how it eventually found a solution to

being able to match up his information, because it had made mistakes here, it tried to work around its normal processes to find a solution in Mr P's case, as a one off. Again, in both instances I don't think Equiniti had done anything wrong here. In the latter instance, it was trying to be helpful and rectify a situation where it had made some mistakes. I don't think I can find fault that.

Equiniti did though, make mistakes in the way it handled Mr P's share sale, and it has taken responsibility for these. It has said sorry and offered to pay Mr P £125 compensation. It said this is because it told Mr P incorrect information: it told him the proceeds from the sale had been sent to his bank account, when it hadn't. It said it also couldn't open documents Mr P sent to him, and it should have contacted him sooner to resolve.

Mr P said he was deeply concerned the funds were missing for around 2 weeks and this caused him distress and inconvenience, because of Equiniti's mistakes. He doesn't think its offer is enough. So, this issue remains outstanding for me to consider in all the circumstances of Mr P's complaint – I have looked into whether Equiniti's offer is fair or not.

On 4 September 2023, Mr P was told by Equiniti that his funds were being sent to his account. This as all parties agree, was erroneous advice. On 6 September 2023, Mr P was told by Equiniti that the sale of his shares was "pending" and on 7 September 2023, Equiniti told Mr P that it couldn't open the documents that he had sent it. I think it is reasonable to conclude after reading this, that the transaction was pending, because Equiniti had not completed its AML checks, due to it not being able to open the documents Mr P sent it.

Equiniti didn't tell Mr P the funds were missing or that it had misplaced them, instead one of its advisers made a mistake and told him the funds had been sent to his account, and then 2 or 3 days later Equiniti correctly told him the transaction was pending and that it couldn't open his documents.

Mr P said Equiniti told him his funds had been sent to him again, a bit later on, which added to the confusion. Again though, I haven't seen enough that suggests to me Equiniti gave Mr P the impression his funds were missing or misplaced or lost. Rather, it mistakenly gave him the wrong information, caused a short delay, and then sought to resolve matters.

Equiniti has offered £125 compensation for the mistakes it has made in Mr P's complaint, this being giving wrong information and not contacting him sooner about documents it couldn't open. I think this is broadly fair and in line with the sort of amount I would award in the circumstances. I can see Mr P has been caused distress and inconvenience here that has come from Equiniti's mistakes over a short period of time, but I can also see it has also sought to resolve matters for him too.

So, I don't think Equiniti needs to do anything other than pay Mr P £125, if it hasn't done so already.

My final decision

My final decision is that Equiniti Financial Services Limited should Pay Mr P £125.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 November 2024.

Mark Richardson
Ombudsman