

The complaint

Mr M complains that Solium Capital UK Limited wrongly informed him that he could continue with his employee share scheme (the scheme) when he left his employment.

What happened

Mr M was an employee of Barclays which provided the scheme as from November 2020 for a three year period with a maturity date of 1 November 2023. Mr M became a member of the scheme and made contributions from his pay until he handed in his resignation in March 2023, his last day of employment being 16 June 2023.

Mr M contacted Solium before this, on 30 May 2023, and asked it about what he needed to do in relation to the scheme given he was about to leave. He was informed that he could exercise his option to purchase shares at the option price of £0.84 on leaving or continue to make contributions by standing order until maturity and exercise the option thereafter.

Solium wrote a 'leaver letter' to Mr M on 17 June 2023 following him having left his employment informing him that his only options were to take his savings or continue saving until maturity. There was no option to purchase the shares at the option price.

Mr M complained to Solium about the information provided to him on 30 May 2023. In its final response Solium apologised for the information provided to him about being able to exercise his option to purchase the shares because of the way he said he was leaving his employer. However, it didn't uphold the complaint, stating that it was for the employer to decide if employees who left their employment would be able to exercise their plan. It said that the only options for the scheme were those set out in the leaver letter provided to Mr M.

Solium subsequently offered Mr M £100 after he referred his complaint to our service. He didn't accept the offer and one of our investigators then considered the complaint and made the following key findings:

- Mr M would still have been entitled to continue with the scheme if he had remained employed until after 1 November 2023 with the term being set by the employer.
- Based on the timeline Mr M wasn't eligible to continue with the scheme once he handed in his resignation on 23 March 2023.
- Solium provided incorrect information about Mr M being still entitled to take part in the scheme following his resignation but this information was provided two months after he submitted his letter of resignation which meant he would no longer be eligible for the scheme.
- Mr M says he could have changed his mind as his circumstances at work had change but he left due to his work environment and line manager and once his circumstances changed he could have chosen to rescind his resignation but didn't.
- Solium did provide incorrect information and this made him feel more assured in his

decision to leave and once he left and received the leaver letter he was left in a lot of distress and inconvenienced by not being able to continue to pay into the scheme. Solium should pay Mr M £200 for this.

Solium accepted the investigator's opinion but Mr M didn't agree with it. In summary he made the following points:

- He submitted his resignation in March 2023 with one of the key factors being the relationship with his manager but shortly afterwards she was moved internally.
- During his notice period the senior director began to talk to him about moving into that vacant management position with conversations about this over several weeks.
- He was in two minds about this and the determining factor was when he contacted Solium and was told that he would be able to continue with the scheme. He asked the call handler to check and was put on hold before the call handler came back to confirm and informed him the system would generate a letter on his last day.
- Based on the incorrect information provided he fully made up his mind to leave and will never know if he would have left if he hadn't been given the incorrect information.
- He was paying £300 a month to be eligible for a redemption share price of £0.84 with the actual share price at time of writing being £1.75 which means a potential loss of around £10,000 – much higher than any bonus or salary increase associated with a job change – and fair redress would be half of this.

As Mr M didn't agree with the investigator the matter has been referred to me for review and 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.

Having done so, I agree with the conclusions of the investigator and that this complaint should be upheld.

The transcript of the telephone discussion that took place between Mr M and Solium shows that he was informed that as he was resigning he would qualify as a 'good leaver' and be able to exercise the option to purchase the shares at the option price of £0.84 as soon as he had left or to continue to pay into the scheme by standing order until the November 2023 maturity date.

It isn't in dispute that the above information was wrong and that contrary to what he had been told Mr M wasn't able to exercise his option to purchase the shares and all he could do was take out the savings from his account.

The scheme invitation guide explains the circumstances in which you are able to purchase shares at the option price if you leave. In short, it shows that where you leave because of; injury; disability; redundancy; retirement; death in service, then you can buy shares regardless of when you leave employment. However, for resignation it shows that you are only entitled to buy shares when you leave more than three years from the grant date.

In the circumstances the issue in this complaint is what is fair and reasonable redress for Mr M having been provided with the incorrect information. There is no doubt that he will have

been extremely disappointed when he received the leaver letter of 17 June 2023 following him leaving his employment which informed him that he only had two choices – either to take his savings or continue saving to the end of the contract. So, an award for distress and inconvenience is appropriate for him being misinformed in the call of 30 May 2023 and I agree with the investigator that Solium should pay £200 for this.

However, Mr M argues that Barclays should pay him much more than this, £5,000 - being half the amount he calculates he would have been able to get at the time he responded to the investigator if he had been able to exercise the option to purchase the shares at the option price of £0.84.

Mr M has argued this on the basis that he might have decided not to resign when he did but for having been misinformed about being able to exercise the option to purchase the shares after he had left employment. He says that he had discussions with his employer after his resignation about taking on his manager's role following them having been moved on and might have decided to stay on if he had known that he wouldn't be entitled to the share option if he left.

However, Mr M has provided no evidence from his previous employer to support what he has said and his evidence of itself isn't persuasive given that his own case is that he doesn't know if he would still have left if he had been provided with the correct information. So, even based on what he has said, I cannot say that it is more likely than not he would have remained employed if he hadn't been misinformed such that it would be fair or reasonable for me to award redress based on him being unable to exercise the option to purchase the shares.

Moreover, the transcript of the telephone conversation of 30 May 2023 doesn't support what he has said in any event. At the start of the call Mr M states that he has an account and he is about to leave the business and that he *"just wanted to know what to do next."* When he is subsequently informed that he can continue to pay into the scheme by standing order and exercise his option to purchase the shares at the option price of £0.84, Mr M asks when he will get this in writing because he thought he was *"going to lose all that."*

In other words, the transcript shows that he rang up to find out what he needed to do, as he was about to leave and in the belief that in leaving he wouldn't be entitled to exercise the option to purchase the shares. In the circumstances there is no reasonable basis for thinking he would have changed his mind about leaving if Solium had provided the right information which would have simply confirmed what he thought was the case anyway.

Putting things right

Mr M was caused distress and inconvenience as a result of Solium providing him with incorrect information in the call of 30 May 2023 for which it must pay him £200.

My final decision

I uphold this complaint for the reasons I have set out above. Solium Capital UK Limited must pay Mr M £200 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 June 2024.

Philip Gibbons
Ombudsman