

The complaint

Mrs G complains that Computershare Investor Services Plc (“Computershare”) failed to treat her fairly when it failed to remind her of her ability to exercise a share purchase option granted under a Save as You Earn (“SAYE”) scheme offered by her former employer.

What happened

Mrs G was made redundant by an employer for whom she had worked for over 27 years in February 2022. One of the benefits she enjoyed whilst an employee of the firm was the opportunity to take part in a SAYE scheme. That allowed Mrs G to make regular monthly savings from her salary that could be used at a fixed point (three or five years later in this case) to purchase shares at a fixed price set at the outset of the scheme.

As part of her redundancy arrangements Mrs G was entitled to make contributions to her SAYE plans for a further period of six months after leaving her employment. And at the end of those six months she would be able to exercise the share options she had been granted to the extent of the savings she held in the scheme at that time.

In March 2022 Mrs G called Computershare to discuss the arrangements for making the additional six months’ contributions. I have been provided with a recording of that call that I will discuss later in this decision. Following the call Mrs G set up standing order payments for her additional monthly contributions to her three SAYE plans.

In November 2022 Mrs G noticed that Computershare had returned her standing order payment to her bank. She was told that the additional contribution period had expired. And she was told that she had missed the deadline to exercise the option provided under the SAYE scheme to purchase shares. Computershare told Mrs G that its normal process would have been to send at least four reminders of the approaching deadline. But later it was identified that the email address Computershare held hadn’t been updated from Mrs G’s former work email address following her redundancy.

Mrs G complained to Computershare and her former employer about what had happened. Computershare told Mrs G that the scheme was bound by regulations put in place by HMRC. So it would be unable to reinstate the options that had lapsed and allow her to purchase the relevant shares. Computershare says it had advised Mrs G that she needed to update her email address, and that it had suggested she should call the firm back in April 2022 to ensure her leaving information had been correctly logged on its systems. Unhappy with that response Mrs G brought her complaint to us.

Mrs G’s complaint has been assessed by one of our investigators. He said that he had listened to the call between Mrs G and Computershare from March 2022. He said that he was satisfied that Computershare had advised Mrs G to update her email address, and to call back in a month to ensure its systems had been correctly updated. So the investigator didn’t think it was Computershare’s fault that Mrs G hadn’t received any reminder emails, or that she had failed to exercise her share options in time. He didn’t think the complaint should be upheld.

Mrs G didn't agree with that assessment and provided some extensive comments. As the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs G and by Computershare. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I don't think the basic facts behind this complaint are in dispute. Mrs G was made redundant by her employer in February 2022. As a result of being deemed a "good leaver" she was allowed to continue contributing to her SAYE schemes for a further six months. But, at the end of that period, the rules of the scheme required her to exercise any options she had been granted over her employer's shares using her savings to date in the SAYE schemes.

I've listened carefully to a call that Mrs G had with Computershare in March 2022. Primarily that call was so that Mrs G could start to make the additional payments to her SAYEs by setting up a direct debit. Around that time Mrs G had received a final payslip from her former employer that confirmed no SAYE deductions for that month had been made. And on the call Mrs G was given the banking details she would need to use to make the future payments – something that she did successfully over the following months.

But the call also went into other areas of the SAYE arrangements that are pertinent to this complaint. I think it is clear from the call that Mrs G understood – even before the call took place – that she would only be able to make additional contributions for six months. At one stage she joked that it would be great if Computershare could allow her to contribute for say 12 months or even longer. And Mrs G appears to have been aware that Computershare only held her old work email address.

During the call Computershare helped Mrs G to successfully access its online system. And Computershare reminded Mrs G that she would need to use that system to update her email address. It seems that is something that Mrs G forgot to do following the call.

At the time of the call Computershare hadn't received any leavers' information from Mrs G's former employer. So at that stage it couldn't be exact about the relevant dates at which Mrs G's contributions would need to end, and when she would need to exercise her share options. Computershare told Mrs G that it would be best if she called back in a month to check that her records had been correctly updated. Again this is something that it seems Mrs G forgot to do.

In the lead up to the point at which Mrs G would have needed to exercise her SAYE options Computershare says it would have sent four separate email reminders. But of course, since Mrs G hadn't updated her email address they would have been sent to her old work email account that she no longer had access to. So the emails wouldn't have been received by Mrs G.

Mrs G has said that she would expect Computershare to have a process to monitor any undelivered emails, and take appropriate action. I have seen that, in September 2023, a different part of Computershare that dealt with dividend payments did write to Mrs G to advise that the email it held was no longer active. So it does seem that at least some parts of Computershare do monitor email returns as Mrs G says.

But I have no way of easily knowing whether Mrs G's email address, at her former employer, remained active for some time after she had left. In my experience it isn't unusual for external email addresses to remain active for a period of time following the departure of a member of staff. So it is possible that Computershare didn't receive any notification that its emails had not successfully reached Mrs G.

Ultimately the failure of the emails was due to Mrs G not having updated her email address with Computershare. That was something she was explicitly told by Computershare that she needed to do, and also something that was noted in the SAYE scheme information that Mrs G would have been given by her employer. So I don't think it would be reasonable to conclude that Computershare did something wrong in relation to its emails not being successfully received by Mrs G.

I appreciate that this would have been a very difficult time for Mrs G, adjusting to the change in her employment circumstances after such a lengthy period of service. But I am satisfied that Computershare, and most likely Mrs G's former employer, clearly set out that Mrs G would need to exercise her SAYE options within six months of leaving employment. The SAYE scheme is governed under rules that are approved by HMRC leaving Computershare will little, if any, latitude to extend the option exercise date.

I understand that this decision will be disappointing for Mrs G. It does seem clear that she wanted to exercise the options granted to her under the SAYE schemes. But I cannot reasonably conclude that Mrs G was unaware of the timeframe in which those options should be exercised. Instead it seems that Mrs G forgot to complete some important parts of the process shortly after leaving her employer. And she forgot to get in touch with Computershare to exercise the options. I don't think those failings were as a result of something that Computershare did wrong.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Computershare Investor Services Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 28 May 2024.

Paul Reilly
Ombudsman