

## **The complaint**

Mr G complains that Computershare Investor Services Plc ("CIS") unnecessarily instigated a buyback of shares he'd sold, resulting in a financial loss and related charges for which he's now responsible.

## **What happened**

On 9 November 2023 Mr G placed an on-line sale of certificated shares through CIS, generating proceeds of just over £100,000. To settle the sale, he posted the certificates to CIS using the next day postal service. But despite the certificates arriving in what Mr G considered to be in line with CIS' timing requirements, a buyback was instigated on 21 November 2023 leaving him owing CIS just over £6,000.

Mr G complained to CIS, but it was satisfied it had followed the correct procedure, in accordance with its terms and conditions. It explained that the on-line sale process included a notice that share certificates needed to be received no later than seven working days following the placing of the sale and that a failure to provide the certificates may lead to the sale being cancelled and charges incurred. This information was provided prior to the sale being placed.

CIS went on to explain that as a dealing service, as opposed to a broker, it had no power to cancel a trade and was obliged to provide the certificates to the broker to settle. In the event certificates weren't received, a corresponding purchase needed to be made – the buyback - to settle in line with the settlement date of the original sale. And as such, a loss and charges may be incurred by the seller.

Mr G referred the matter to this service, but our investigator also didn't think the complaint should be upheld. She felt Mr G had been provided with sufficient information about how to settle the sale and noted that he'd been required to tick a box to confirm he was in possession of the certificates before proceeding.

The investigator also highlighted that a reminder to forward the certificates had been emailed to Mr G on 15 November 2023 and she felt CIS couldn't be held responsible for any failure on the part of the postal service. She was satisfied it had acted in accordance with its terms and conditions, to which Mr G had agreed prior to the sale.

Mr G didn't accept the investigator's view. He reiterated his view that the buyback had been carried out prematurely and that his certificates had actually been provided in time. He felt the investigator had adopted an unfairly legalistic interpretation of the situation, failing to consider it from a consumer perspective.

The investigator noted Mr G further comments. She explained that in deciding whether he'd been treated fairly, she'd considered the support provided by CIS and the information it had given him to help understand its process for selling a certificated shareholding.

The investigator said she remained satisfied CIS had clearly outlined its process and explained its requirements early on. She noted that Mr G had been given the option of

cancelling the sale if he'd been unable to meet the requirements. Further, she reiterated that the reminder had been sent stressing that the certificates needed to be provided by the deadline and warning that a failure to do so by 21 November 2023 could lead to the sale being cancelled, the shares bought back, and charges being incurred. However, the certificates had been received the following day, 22 November 2023.

Mr G remained unhappy, stressing the unfairness of the investigator's reliance upon the legalistic terms and conditions. He reiterated that he'd sent the certificates by the method recommended by CIS and that it had said only that charges *may* apply. In any event, his certificates had been received on the deadline day and the buyback needn't have happened.

As no agreement could be reached, the matter's been referred to me to 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.

Having done so, I've come to the same conclusions as those reached by the investigator and for broadly the same reasons. I want to assure Mr G I've read and considered everything on the file. But that said, I'm satisfied I don't need to comment on every point raised to reach what I consider to be a fair and reasonable decision. Where I've chosen not to comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. That approach is in line with the rules we operate under.

Mr G has raised the issue of CIS's actions in light of the Financial Conduct Authority's Consumer Duty, particularly in respect of its terms and the clarity of the process for users of the service. I'm satisfied it provided clear information to assist in understanding what was required and when.

As the investigator highlighted, while acceptance of CIS's terms was obtained as part of the process, there was also specific standalone information given during the sale process highlighting the most important points – the need to have the certificates available to send and for them to be received by CIS by seven working days after the sale. Further, there was the reminder sent after the sale, explicitly reiterating that the certificates needed to be received by 21 November 2023.

I accept that Mr G posted his certificates well in advance of that date, on 16 November 2023, using Royal Mail's next day delivery service. I can therefore understand his frustration that they weren't received until 22 November 2023. But I don't think CIS can be held responsible for that failure. Even if Royal Mail is CIS's chosen mail provider, that doesn't act as any guarantee in respect of the service it will provide.

Mr G has noted that CIS's instruction said the certificates needed to be received *by* 21 November 2023. So, he feels that in instigating the buyback on that date it was acting prematurely. It could've instead waited until the next day, 22 November 2023, which was still pre-settlement, by which time it would then have been in receipt of the certificates and there'd have been no need to complete the buyback.

But the buyback had to be carried out on 21 November 2023 to ensure it settled in line with the original sale settlement date of 23 November 2023. The next day would've been too late. I think telling consumers that certificates are required *by* a certain date makes clear that they must be with CIS *on* that date. I appreciate that the buyback purchase was carried out before the end of that day, at 15:11, so in theory at least the certificates could've arrived after that. But that's an unlikely hypothetical scenario and it nevertheless remains the case

that Mr G's certificates didn't arrive *by* 21 November 2023; they arrived the next day.

Mr G has also highlighted that CIS's terms and instructions said a buyback *may* occur in the event certificates weren't received in time, not that it definitely would happen. But I don't think this is unusual or misleading language. It's quite standard, to reflect the possibility that an alternative course of action might occasionally have to be taken. I don't think its use in any way dilutes the message regarding what is required.

As I've said, I appreciate Mr G's frustration with the situation, particularly given the significant failure of the postal service. But here I'm considering solely the acts, or omissions, of CIS. Did it act incorrectly or unfairly in respect of Mr G's sale?

And in all the circumstances I don't think it did. It provided clear instructions regarding what was required and what Mr G needed to do. And its process was in line with industry standards and consistent with what I'd expect to see with this type of certificated sale.

### **My final decision**

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 March 2025.

James Harris  
**Ombudsman**