

The complaint

Mr R complains about Computershare Investor Services Plc.

He's unhappy about the foreign exchange (FX) rate and fees applied to the sale of his shares, when the proceeds were sent to his nominated bank account, abroad.

What happened

Based on the investigator's summary, a brief (uncontested) chronology of events, is as follows:

- On 13 February 2023, Mr R instructed the sale of 32 shares from his employee share scheme.
- On 15 February 2023, the proceeds from the sale of the shares were converted to rupees by Computershare's banking partner and sent to Mr R's nominated bank account abroad.
- On 8 March 2023, Mr R complained to Computershare about the FX rate applied.
- 13 March 2023, Computershare replied but didn't uphold the complaint. In summary, it said:
- *"The trade executed and settled on 15 February 2023. The wholesale rate in the market at the time was 317.13. As per the Terms & Conditions of the plan, a 250bps spread is deducted for the FX transaction. Therefore, please see below the calculations: $317.13 \times 0.975 = 309.20$. The proceeds are $\text{GBP } 1352 \times 309.20 = \text{PKR}418.038.40$. This is what you received. Please note that the Terms & Condition are in the document section online."*
- Unhappy with the response, on 1 April 2023, Mr R replied with the following queries:
 - Previously the fee was charged – as show on 'confirmation to sell' document – but why's the deduction for the FX transaction not mentioned on this document.
 - What are the fees charged/amount deducted for the FX transaction in the following scenarios:
 - £5,000 GBP proceeds credited into a GBP/USD/EUR currency account.
 - £5,000 GBP proceeds to be credited from the FX transaction in GBP.
 - The fee amount deducted for the FX transaction in GBP.
 - The fees charged for the FX transaction into GBP/USD/EUR were significantly lower than the fees charged for FX transactions into rupees, which is unfair.
 - What charges would be applicable if he opted to have his proceeds credited to his GBP/USD account instead of rupees in his account abroad.
- On 4 April 2023 Computershare acknowledged the new correspondence and subsequently on 10 April 2023 it confirmed that Mr R's points were being investigated.
- On 16 May 2023 Computershare replied stating:

- On 24 August 2020, Mr R accepted the 'Global Payment Service Terms and Conditions' which can be viewed under the 'agreement tab' online. Section 6 of which shows all the charges, including other sections which show charges deducted when converting into another currency.
- Mr R will have agreed to the terms and conditions when dealing.
- All trades are in GBP, and then converted into the participant's chosen currency.
- In relation to Mr R's questions, the fees are displayed by Computershare. Any (additional) fees deducted by Mr R's bank is not something that Computershare has control over.
- To receive any sales proceeds in another currency Mr R can just add the details online, and select which currency he'd like to receive his proceeds in. If he doesn't make a selection, the proceeds will be in the currency of his default account.
- The contract note also mentions that sales that result in payments in a currency different from the plan are subject to currency conversion costs.

One of our investigators considered the complaint but didn't think it should be upheld. In summary, he said

- Computershare confirmed that the conversion rate used was the 'wholesale rate' in the market at the time it was completed on 15 February 2023.
- The transaction was completed by its global service provider within the currency conversion agreement.
- He's not seen any evidence that would suggest that Mr R was treated unfairly in this respect.
- Mr R provided data from two sources regarding the exchange rate for the rupees in question, but they relate to the exchange rate on 6 March 2023 not 15 February 2023 when the trade took place.
- 'Section 6' of the terms and conditions clearly set out the position in relation to costs.
- In the circumstances Computershare hasn't behaved contrary to the terms and conditions, in relation to fees, charges and the costs levied on currency exchange.
- The terms and conditions also make clear that Computershare wouldn't be responsible for fees, charges and costs applied by the receiving bank. So, he can't say that Mr R was treated unfairly.
- Computershare confirmed that it doesn't (and didn't retain) screenshots of the online process Mr R followed when submitting his instructions to sell the shares (on 13 February 2023).
- It's not a regulatory requirement to retain screenshots, so it hasn't done anything wrong by not doing so. In other words, Computershare hasn't behaved unreasonably.
- Computershare ran a simulated transaction on its platform showing the steps Mr R is likely to have gone through and what he would've seen.
 - The screenshots show that steps three and five made clear the fees involved.
- Step five would've also shown the proceeds in rupees, the exchange rate and footnote explaining that the exchange rate and share price may change by the time the trade is executed.

Mr R disagreed with the investigator's view and asked for an ombudsman's decision. In summary, he made the following key points:

- Whilst he appreciated the time and effort put into investigating his complaint, he's still not satisfied with the outcome and would like a final decision from an ombudsman.

- Whilst he understands that Computershare has acted in accordance with its terms and conditions, he still feels the fees and charges were excessive and not transparent.
- He specifically asked why the fee charged for the FX transaction wasn't clearly stated on the 'Confirmation of Sell' document – he doesn't feel like this question has been adequately addressed.
- He doesn't accept that he was sufficiently made aware of the charges during the selling process. Despite what the simulated transactions show, this information wasn't clearly and prominently displayed.
- Mr R went on to reiterate the following questions and/or requests:
 1. Why was the fee – that was previously stated clearly on the 'confirmation of sell' document – not currently mentioned.
 2. Please provide a comparison of the fees charged for £5,000 GBP proceeds credited into a GBP/USD/EURO versus rupee current account.
 3. Are the fees being charged for GBP/USD/EURO accounts significantly lower the rupee accounts? If so, what's the reasoning behind this discrepancy.
 4. What tariff of charges would be applicable if he was to have proceeds credited to his GBP/USD account instead of his rupee account.

At the request of the investigator, Computershare provided the following answers:

- The document supplied in relation to the first question is from 2019, so predates the 'EquatePlus' system. On the previous system the fees weren't displayed elsewhere, so are displayed on the confirmation.
- In respect of the last three questions, it confirmed that the same tariff of charges applied, regardless of the currency. Consequently, the fees would be identical when expressed as a percentage of the gross amount.
- The only way to save money in this instance would have been to have the proceeds paid into an account of the same currency meaning that no conversion would be necessary.
- For example, if £5,000 GBP was sent to a GBP account, £5,000 would be received.

The investigator having considered the additional points wasn't persuaded to change his mind.

As no agreement has been reached, the matter has been passed 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.

Having done so, I agree with the investigator's conclusions for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr R says I'm unable to safely say that the Computershare behaved unreasonably such that this complaint should be upheld.

Before I explain why this is the case, I think it's important for me to note I recognise Mr R's strength of feeling about this matter. He has provided submissions to support the complaint, which I've read and considered carefully. However, I hope he won't take the fact my findings

focus on what I consider to be the central issues, relevant to this specific complaint, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised. I'm also not here to answer Mr R's questions, any information he needs from Computershare, he can ask for it directly. My role is to consider the evidence presented by Mr R and Computershare, and reach what I think is an independent, fair, and reasonable decision based on the facts of the case.

I don't uphold this complaint, in summary, for the following reasons:

- On the face of the evidence, and on balance, despite what Mr R says, I'm persuaded that Computershare behaved reasonably and in line with its terms and conditions in respect of carrying out his instructions to sell his 32 shares and transfer the proceeds in rupees to a nominated account abroad.
- I'm also aware that the trade was executed and settled on 15 February 2023 – two days after the instructions were given – in line with the wholesale market rate at the time. I can't say that Computershare behaved unreasonably in relation to this.
- I'm satisfied that the terms and conditions which were available to Mr R online, also made clear the costs involved.
- I note section 6, of the terms and conditions entitled 'The Costs' made clear the following:
- 6. The Costs
 - (a) *Subject to clauses 6(b) and 6(c) below, for each Currency conversion executed as a result of your instruction you will be charged:*
 - *fixed fee as specified on the Website prior to submission of your Online Instruction (the "Fixed Fee"); AND*
 - *a Spread calculated based upon the aggregate value of the Residual Monies as follows:*
 - (i) *where the aggregate value of the Residual Monies is between £0 and £99,999.99 the Wholesale Rate will be reduced by a Spread of 250 basis points;*
 - (ii) *where the aggregate value of the Residual Monies is between £100,000.00 and £999,999.99 the Wholesale Rate will be reduced by a Spread of 80 basis points*
 - (iii) *where the aggregate value of the Residual Monies is equal to or over £1,000,000.00 the Wholesale Rate will be reduced by a Spread equal to 50 basis points;*
 - (b) *Please note that the Fixed Fee and Spread will be deducted from your Payment in accordance with clause 6(a) even if a payment is rejected before it reaches you or the Proceeds cannot be transferred to your chosen account for reasons outside of the control of Computershare including, for example, where you provide incomplete or invalid payment details or the bank account the details of which you have provided cannot receive and hold monies in your chosen Currency.*
 - (c) *Please note that whilst we will not charge you an additional Fixed Fee for any Currency conversion executed pursuant to clause 4(e) above we will charge you an additional Spread calculated in accordance with clause 6(a) above for such Currency conversion.*
 - (d) *The Costs will be automatically deducted from your Payment before your Proceeds are paid to you. We will deduct the Fixed Fee and the Global Payment Service Provider will deduct the aforementioned Spread on our behalf, withhold a portion thereof to be retained for itself and send the remainder of the spread to us.*
 - (e) *These charges may change from time to time. We will notify you in advance of any change(s) to these charges, which will only apply to instructions received after notification of such change(s)*

(f) Please note that in addition to the Costs your Beneficiary Bank, or any Intermediary Bank, may apply transaction charges, fees and other costs depending upon the specific currencies, banks and bank accounts involved. You should check with your Beneficiary Bank whether such transactions charges, fees or other costs will be applied and if so whether you are responsible for the payment of them. We are not responsible for the payment of these charges, fees or other costs.

(g) If we carry out any other services or provide you with any other information which is not mentioned in these terms and conditions, then we may write and ask you to pay us a charge for that service or information.”

- Despite what Mr R says, I've seen nothing to suggest that Computershare behaved in a way that was at odds with the terms and conditions it agreed with Mr R, in particular the terms and conditions relating to costs (as set out above).
- I've seen nothing to suggest that there were any hidden costs involved or that Computershare deliberately chose unfavorable exchange rates – the latter being out of its control.
- I'm satisfied that the material costs applied because of the exchange to from GBP to rupees and payment into a nominated bank account abroad.
- I don't think Mr R can expect to receive payment in his chosen currency – which is different to the currency of the plan – and chosen bank account, without paying for the costs associated with this.
- Furthermore, any fees or charges levied by the receiving bank is out of Computershare's control and therefore not something I can blame it for. If Mr R has an issue with this, he may wish to reconsider where he'd like the proceeds to go. Otherwise, by default, it will continue to go to his (rupee) account abroad and he's likely to be charged for change currency.
- On the face of the evidence, and on balance, despite what Mr R says I'm satisfied that the online process made reasonably clear the costs associated with this sell instructions, as well as other important information such as the exchange rate and how it could fluctuate depending on when the trade is executed.
- In the circumstances, and on balance, I don't agree with his arguments that the information wasn't displayed clearly and prominently. Based on the screenshots provided – which I believe was an accurate reflection of what (more likely than not) happened when he went through the process himself - I'm satisfied that Mr R was made reasonably aware of the fees and charges.
- A business is entitled to set its own fees, as long as it has made this clear to customers and they've agreed to this, which I'm satisfied it has in this instance. Therefore, I can't say that Computershare has done anything wrong.
- In other words, the level of fees charged is a matter for Computershare as long as the rates were made clear, and Mr R agreed to them, which I'm persuaded he did and I don't think he can complain about the rates themselves.
- In conclusion, I'm satisfied that Mr R was made reasonably aware of the fees and costs and he was happy to proceed.
- I appreciate he's unhappy about the FX rates, but that's not something I can blame Computershare for.
- Having had his questions answered, if Mr R continues to be unhappy about paying FX charges, he may wish to transfer any sales proceeds to a GBP or a USD account in future.
- I'm mindful of Mr R's point about the 'confirmation of sell document' and things not explicitly being detailed on it, I'm however persuaded that the customer was sufficiently made aware about the charges during the selling process. Not providing a more detailed answer to Mr R's request doesn't mean that this complaint should be upheld.

I appreciate that Mr R will probably be unhappy that I've not awarded redress for the losses claimed. I realise my decision isn't what he wants to hear. But on the face of the available evidence, and on balance, I'm unable to uphold this complaint give him what he wants.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 November 2024.

Dara Islam
Ombudsman