

## **The complaint**

Mr W complained about Computershare Investor Services Plc (Computershare). He said it misinformed him about what to do with options he held in a save as you earn (SAYE) share save scheme.

Mr W said Computershare made mistakes and because of this he incurred a loss. He would like Computershare to pay him compensation for this and also for the distress and inconvenience its mistakes caused him.

## **What happened**

Mr W paid into a 3-year SAYE share save scheme from 2020 and did this through his employer HSBC. It was a tax advantaged employee share scheme that allowed Mr W to save towards buying shares in the company he worked for, at a date in the future. Computershare administered the scheme and Mr W was able to track the progress of his savings in its portal.

Mr W said he decided to take redundancy with HSBC, and this commenced from February 2023. He said he contacted Computershare, and a representative advised him about making additional payments, after which he said he was told that he would be able to make his election on his options after the final payment was made. He said the options he was told he would have, were to take up his options and then sell the shares, do the same and keep them or get the money he paid in back. Mr W said the representative clearly told him that he wasn't able to make his choice until the six months' worth of payments had been paid.

Mr W said he then left it for 6 months. He said he went in to check the portal after he had made the last of his 6 payments and he only had one option to choose: get the cash back that he had paid in.

Mr W said it was at this point that he searched through his emails and could see two messages from Computershare advising him that his options were going to expire. He said he hadn't read these messages until that moment. He said he phoned Computershare and tried to arrange an extension but was told the lapse date had passed and that it couldn't do this.

Mr W said he had been grossly misinformed from the outset about having to wait, to choose his option. He said he did not see the inadequate emails from Computershare, and they looked like spam. He said the default option was the least beneficial for him and this was not in his best interests. He said he stood to lose £23,000 as the shares were worth £40,000 if he had been able to exercise his options and he was only due to receive £17,000 from receiving his cash back. He complained to Computershare about this.

Computershare said in response that it was bound by rules and guidelines set by HMRC and set by his employer. It said within these rules that it adheres to; it states that a scheme member that leaves must have completed a leaver's election form within 6 months of leaving the company. It said, it needed to follow this rule, and this meant Mr W had a lapse date. It said Mr W needed to provide his preference before this date.

Computershare said it gave notice to Mr W that his lapse date was about to expire and sent these on 25 July 2023 and 19 August 2023, 30 days, and 5 days before it arrived. It said Mr W didn't make his election before the lapse date, and so was only left with 1 option, this being to receive his cash savings back. It said it didn't think it had done anything wrong as it had administered his share save scheme, according to the rules.

Mr W was not happy with Computershare's response and referred his complaint to our service.

An investigator looked into Mr W's complaint. He said Computershare made Mr W aware that only 5 payments were needed to be made, and that the final payment was in August 2023, so Mr W still had time to make his choice before the deadline. He said he can't ask Computershare to rework the plan as the deadline had been missed by Mr W.

The investigator concluded that Computershare had followed its processes correctly and so he was unable to say it acted unfairly. He said he wouldn't be asking it to do anything further.

Mr W was not in agreement with the investigator's view. He said he could hear in the phone call recording Computershare did casually note that he could make an election in August, but it didn't state this was a hard deadline. He said he did contact Computershare in August as he called on 29<sup>th</sup> August, but this was 3 days after the deadline. He said it wasn't fair and reasonable to penalise him £23,000 for being 3 days late to a deadline it failed to communicate to him.

Mr W said Computershare completely mishandled his complaint and didn't consider his vulnerability or consider re-opening his position so he could exercise his options. He said it also tried to close his complaint down.

Because the parties are not in agreement, Mr W'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 have independently reviewed Mr W's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

Mr W has been clear about what he is not happy about. He said Computershare gave him wrong information on the phone about the deadline for him to exercise his options. He said it then gave him poor information when it sent him emails about this. He said it then didn't handle his complaint properly; it didn't understand that he was vulnerable, and it didn't give him an extension at the time to make his choice.

I have looked into all of the issues that Mr W has complained about. I started by looking at the SAYE scheme first of all and of the rules that Mr W would have signed up to when he applied for it. It was a three-year SAYE scheme, and Mr W could pay £500 a month maximum into this in return of receiving options that gave him the opportunity to buy shares at a later date or receive his savings back.

His previous employer issued plan rules for the SAYE that Mr W signed up for, and much of what I have explained already has come from what I have read within these. I can see of particular relevance to Mr W's complaint is section 11, that is about leavers.

Rule 11.3 states “...where a participant ceases to be employed by a participating company due to a good leaver reason, they may exercise their option within the period starting on the date of such cessation and ending 6 months later. Their option will then lapse.”

The rules also define what a good leaver reason is. It is clear from reading the rules that Mr W left for a good leaver reason, this being that he took redundancy. So, with this being the case rule 11.3 applied to him. This is why presumably Mr W called Computershare to arrange additional payments into his SAYE, up to the point where his options would lapse.

I can see from the rules that it is clear: Mr W's options would lapse six months after he ceased to be employed by HSBC. Computershare said Mr W's options lapsed on 24 August 2023. I can see by setting this date, it was following what I can see have been clearly stated within the plan rules, that Mr W would have signed up to when he accepted the terms from the outset. So, I don't think Computershare has done anything wrong by doing this: setting a date that Mr W needed to make his choice by.

What is left for me to consider, and what is the crux of Mr W's complaint as I have mentioned already is, whether Computershare gave him misleading information or whether it did enough to notify him that his options were due to lapse.

Mr W called Computershare on 30 March 2023, and it is this phone call that he said he was misinformed by it about when he needed to exercise his options. I have listened carefully to the call recording.

I can hear Mr W asking the representative whether he ought to wait until he had made all his additional payments. The representative then said this was correct. The representative seems to have made a mistake here, in that as Computershare has said in its response, Mr W didn't need to wait until he made all his additional payments to do this. It has since told Mr W and our service that he could have made his choice a lot sooner.

But even though the representative gave the wrong answer to Mr W's question, this doesn't automatically mean I think Computershare has done anything that I think it needs to act on, or that it has caused any detriment to Mr W. I say this because, as the conversation continued, I can hear Mr W seek further clarity about when he needed to make payments. He mentioned making payments until September 2023, this being after the lapse date. The representative clarified matters and said he only needed to make 5 payments, these taking him up to August 2023. And earlier in the conversation the representative informed Mr W that he would need to make the additional payments on the 1<sup>st</sup> of each month. So, with this being the case the representative advised Mr W to make his final payment on 1 August 2023, around 3 weeks before the lapse date, giving him ample time to then go into the portal to exercise his options.

If Mr W wasn't sure about what had been discussed or there was any misunderstanding here, he would have also received reminder emails from Computershare, as it sent these to him as well. I can see that it sent Mr W three emails. The first was sent on 26 March 2023 and this was called a 'change to employment status' email, notifying him that he should check his SAYE scheme details online. It sent this email a day after it became aware that Mr W had left HSBC's employment. It would have changed Mr W's account online from this point and so sent an email to Mr W to ask him to log on and check his details.

I can also see that Mr W was sent a further two emails: on 25 July 2023 advising him that his options were lapsing in 30 days' time and then a second on 19 August 2023 notifying him that his options were lapsing in 5 days' time. Mr W has told our service that the emails were not sufficient to notify him. He also said he didn't read them, and that Computershare

should have seen that he hadn't opened the emails it sent. He said the emails were automated junk style messages.

I have looked at the content of the two emails and can see that Computershare has been clear to Mr W in both of its communications as to what is happening: this being his options were lapsing. There was also a link in both emails for Mr W to click on that would have taken him to the website to check this and what his options were. I don't think after seeing this, that it would be fair of me to conclude that Mr W wasn't given notification of what was happening or that he wasn't given enough notice. I also don't think it's a reasonable request to ask Computershare to monitor the emails it sends and check regularly to see if its scheme members have opened their emails or not, as Mr W has suggested it ought to have done. I think Computershare did enough in this instance by sending emails to Mr W's email address notifying him that his options were going to lapse.

It is particularly, the third email sent by Computershare, that I think persuades me that Mr W had received enough notice by it, because he would have made his final payment according to what was discussed by the parties in the phone call, on 1 August 2023. He would then have had time to make his choice, and then he would have received a reminder about this on 19 August 2023. I can't say Computershare were being unfair to Mr W here, or that Mr W didn't have enough of a chance to make his choice based on what was discussed and what was sent to him.

Finally, I have read all of the correspondence that I have been provided with between the parties, from after Mr W's options lapsed. I have read how Mr W has requested for an extension to his lapse date and what was said between the parties. I acknowledge Mr W's point about how distressed and anxious he was feeling at this point. But I consider by this stage that Mr W was simply too late to make his choice and that there wasn't anything that Computershare could have reasonably done. It was following the plan rules and, in this instance, unfortunately Mr W hadn't exercised his options by the lapse date. Mr W has cited other leavers where Computershare has done something different for them, but I am looking at the circumstances of Mr W's complaint and not others here.

Mr W has mentioned during his complaint that Computershare defaulted to the worst possible outcome for him and that this wasn't in his best interests. But I don't think it had a choice here. It didn't choose to default Mr W to the option of him receiving his savings back in cash; rather it was the case, in accordance with the plan rules, that Mr W's options lapsed. So, he was unable to exercise them in any way. This then only left one option: for him to receive his cash back.

In summary, I don't think the discussion between the parties on 30 March 2023 caused Mr W any detriment, and he still had time to make his choice, in August 2023, before the lapse date. I also can see Computershare did provide Mr W with notifications that his options were going to lapse. I don't think it would be fair of me to conclude that it didn't remind him of what was about to happen. Finally, I can see that it has been adhering to the scheme rules and that is why it has not done what Mr W wanted it to do. So, I don't think Computershare on this occasion has done anything wrong and I won't be asking it to do anything further.

I appreciate that my decision will be very disappointing for Mr W, and I acknowledge the strength of his feelings in the submissions provided. I have empathy for him not just for what he has described were his losses, due to the options not being exercised in time, but also for the circumstances that he has had to cope with whilst also dealing with his complaint. I am sorry to hear of what he has had to deal with. But based on everything I have read and the findings I have given, I don't uphold Mr W's complaint.

**My final decision**

My final decision is that I do not uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 January 2025.

Mark Richardson  
**Ombudsman**