

The complaint

Mr G complains Computershare Investor Services Plc (“Computershare”) didn’t act correctly with his shares in a company I’ll call “V”.

He complains Computershare wouldn’t let him sell all his shares and the number of shares allocated to him was reduced.

What happened

Mr G owned shares in company V. Mr G’s shares in V were originally shares in a different company - I’ll call “S”. Mr G says he bought his shares in S in 1999.

Computershare says it took over as registrar for S in 2008. It says at that time it was given details to update the register of shareholders to show Mr G owned 53 shares in S. It says this was the result of a consolidation – and previously Mr G owned a different number of shares. It says the consolidation wasn’t organised by Computershare, but Computershare received details of the consolidation with which it updated the register.

In a consolidation the number of shares shareholders receive reduces. But each new share has a higher value. So the value held by shareholders overall doesn’t change and isn’t generally affected by the consolidation.

Mr G’s shares in S became shares in V when V took over S in 2016. Computershare says Mr G’s 53 shares in S were exchanged for 148 shares in V (2.797 V shares for one S share).

Press reports from 2016 suggest S shareholders could choose to take a small part (around 15%) of the offer for S as cash instead of shares. From what Computershare has sent and told us, Mr G didn’t do that and all his shares in S were exchanged for shares in V in 2016.

Computershare says Mr G’s 148 shares in V were reduced to 136 in 2019. It says this was due to a 12 for 13 consolidation. It says Mr G also received 7 extra shares as a dividend. On this basis Mr G held 143 shares in V at that time. This was also the position in 2021.

In 2021 V was taken over by another company. Computershare has sent information to show the takeover offer for V was sent to shareholders like Mr G on 16 August 2021.

On 16 September 2021 enough shareholders had accepted the takeover offer for the takeover to be agreed. Computershare has sent information to show there was a mailing sent on 21 October 2021 about this.

The result of the takeover was that shareholders were entitled to sell their shares in V to the takeover company for a price of £1.65 a share. To do this they needed to return paperwork to accept the offer before the offer deadline. Mr G had until 2 December 2021 to do this. If he had done this, and based on a shareholding of 143 shares, his shares would’ve been sold at that time for £235.95.

Mr G hasn’t said or suggested that he did accept the offer before that deadline.

V was delisted in December 2021 as a result of the takeover. This means shares couldn't be traded in the usual way on a stock exchange. Instead details of any remaining shareholdings which hadn't been sold to the takeover company were entered onto a "dissenters register". Computershare says this is what happened to Mr G's shareholding on 17 December 2021, because he hadn't accepted the takeover offer before the 2 December deadline.

Computershare has said Mr G has requested a number of claim forms and letters explaining the history of the shares, which Computershare has sent him. But Computershare hasn't located any completed forms returned to Computershare to be actioned or any documents from him asking to sell the shares before any corporate action took place (or since).

Following Mr G's holding being put onto the dissenter's register, Computershare says to sell or claim the value of his shareholding Mr G needed to fill in a form Computershare sent him. This form was also sent with Computershare's complaint reply to Mr G.

Mr G hasn't completed or returned this form and he instead asked us to look into a complaint for him about the above shareholding and about Computershare. In explaining to us this complaint, Mr G has made various assertions in a number of calls to us, and these include:

- He called multiple times to get information about a takeover. He was told it was awaiting confirmation.
- He found out a takeover happened and that instead of selling his shares he received more shares.
- He spoke on the phone about an offer from V for S for 1.65 per share. He was told the offer involved accepting 50% as shares and 50% as cash. He rejected this because he wanted to sell his shares and he wanted cash not shares.
- He was told of a scenario where shares were sold but only if the shareholders were staff.
- He has been lied to because a lot of people sold their shares to V.
- He has been told he would need to sign documents for shares, and he was told of new amounts for the shares which were lower than he was told previously.
- He wanted to send back a new share certificate he didn't want, but Computershare told him not to.

In the course of his conversations with us about Computershare and his shares in V or S, Mr G has also referred to discussions he has had with other companies. These include the company Computershare says organised the consolidation that took place before 2008 and the company Computershare says was registrar before Computershare took over in 2008. Mr G has spoken of discussions with these companies about selling his shares.

Computershare referred to the history of the takeover by V of S and to what Mr G would need to do to get value for his shareholding now his holding was on a dissenters register. In doing so, Computershare told us that because this concerned a corporate action it didn't feel this matter was within our remit.

Our investigator looked into Mr G's complaint and concluded that Computershare hadn't done anything wrong. He said what Computershare had sent supported what it had said about the number of shares Mr G owned. He didn't think Computershare had wrongfully

reduced Mr G's number of shares. He also didn't think Computershare was wrong to ask Mr G to fill in a form in order to obtain value for his holding on the dissenters register.

Computershare noted our investigator findings and didn't raise any new objections to it. Mr G rejected our investigator's findings.

Our investigator then clarified that Computershare was conducting its role as the registrar when giving Mr G information on his shares. Our investigator said Computershare didn't decide the value of the shares (referring to what Mr G might get if he filled in the form Computershare had sent him). He said Computershare had just informed Mr G of what he would need to do now the shareholding was on the dissenter's register - it hadn't stopped Mr G from selling his shares. Our investigator concluded we couldn't consider a complaint about Computershare's role as registrar – because keeping a share register wasn't an activity we could investigate under our rules. So we couldn't help Mr G with his complaint on that basis.

Computershare didn't provide any further comment. Mr G remained dissatisfied. As the matter couldn't be resolved informally it has been passed to me to decide.

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 arrived at broadly the same conclusions as our investigator and for broadly the same reasons. In brief summary, Mr G's complaint concerns matters we cannot consider because they don't fall within our remit. Also insofar as the complaint concerns matters we can consider, I'm not persuaded Computershare did anything wrong.

Computershare took over registrar duties in 2008. Before that there was a different registrar. Mr G has referred to that registrar from time to time – for example in connection with a 50% shares and 50% cash offer. It is possible this relates to something that happened before Computershare took over as registrar. My decision here relates only to Computershare's role in the history of these shares – and not to anything that might have happened before that. So I've not considered anything that might have happened before 2008, for example.

As I understand Mr G's concerns, they include that Computershare hasn't got on record the right number of shares for him. Computershare maintained a register of shares for V and its predecessor company S from 2008 onwards. Insofar as Mr G's complaint alleges failings by Computershare in how it did this, this isn't a complaint I can look into.

Acting as registrar and dealing in corporate actions doesn't in itself mean Computershare didn't perform a regulated activity we could consider – but its actions in keeping a register of shareholders don't amount to such an activity here in my view. This is because the keeping of a share register is not in itself a regulated activity and I've not identified any other basis on which I could consider that matter.

I'd mention here that the fact I can't make a ruling on this point shouldn't be taken by Mr G to mean I've seen anything to suggest Computershare didn't keep track of and register the right number of shares for him. It is simply that this isn't a matter I can make a ruling on or look into further for Mr G because it doesn't concern an activity that falls within our remit.

The same applies to Computershare informing Mr G of the situation of his shareholding once his holding moved to the dissenter's register. Likewise its sending to him of the form it says

he needs to fill in if he now wishes to realise value held on that register. Computershare's discussions with Mr G about that form fall outside our remit on the same basis.

I note that Computershare's complaint reply sent Mr G the form to fill in and instructions as to how to redeem any value held for him from the dissenter's register. I won't repeat those details here as Mr G has that letter. That letter also said Mr G should hold two share certificates for V. One is for 136 shares and the other for 7 shares. The letter stated the certificate numbers for Mr G's reference. I won't repeat those here. But Mr G can refer to that letter if he needs those numbers when filling in the form to claim payment for his shares – if that is what he decides to do.

It isn't always obvious what event in time Mr G's comments refer to specifically but looking at his comments overall they do allege that Computershare didn't arrange or carry out a sale of his shares and so prevented him from selling his shares when he wanted. Such a sale would be an activity I could consider. For its part, Computershare says it hasn't at any time received from Mr G documentation that would've allowed it to arrange or carry out a sale of the shares before his holding was moved to the dissenter's register.

With all this in mind, I've carefully considered the points Mr G has made to see whether they add weight to or provide support for his complaint – and to see whether there are grounds on which I could uphold his complaint.

Mr G says he spoke on the phone about an offer from V for S for £1.65 per share – and he discussed selling the shares for 50% shares and 50% cash. But 165p is the price Mr G was offered in 2021 for his shares in V. The takeover of S by V happened in 2016 and there wasn't a 165p price associated with that.

Mr G has said he was told the offer involved accepting 50% as shares and 50% as cash. If he refers to the 2016 takeover when part of the offer may have been available as cash, I've seen nothing to suggest there was ever an option for Mr G to sell all his shares at that time for cash as part of that 2016 takeover. So Computershare in that corporate action didn't stop Mr G from selling his shares because selling all his shares wasn't an option.

In 2021 there was an offer to buy Mr G's V shares for cash – but there wasn't an option or requirement to take 50% as shares or any other part. Computershare says it didn't receive documentation from Mr G to accept the offer for his shares - and I've not seen anything persuasive to contradict this. So I'm not persuaded Computershare prevented Mr G from participating in that takeover or from accepting that offer to sell his shares if he wanted.

Mr G has spoken about calling multiple times to get information about a takeover and being told it is awaiting confirmation. Computershare agrees that Mr G has called for information but it says it provided information to Mr G in return. Mr G has spoken of finding a takeover had happened and that instead of selling his shares he received more shares. This is what happened in 2016 when shareholders of S, like Mr G, received shares in V in exchange for their S shares. But, as I've said above, that takeover didn't include an option to sell all the shares instead. So what Mr G describes here, if it relates to the 2016 takeover, doesn't make me think that Computershare did anything wrong or stopped him selling all his shares.

Mr G has said he has been told he would need to sign documents for the shares and was informed of new amounts for the shares which were lower than he was told initially. From what he has said, I believe this refers to the form Computershare sent to allow Mr G to apply to receive value for his holding from the dissenter's register. So what Mr G has said about this doesn't make me think Computershare did something wrong before that which stopped him from selling his shares during the takeover itself or at some earlier time.

Mr G has referred to a situation where shares would be bought from shareholders only if they were staff. I note that in 2021 part of the V group was bought out by its management staff. If that is the transaction Mr G refers to, it doesn't have any bearing on his shareholding or what Computershare has done. I've seen no evidence of an offer available only to staff being made for shares like the shares Mr G held. So this doesn't make me think that Computershare prevented Mr G from selling his shares.

So, taking account of what Mr G has said overall, what he has said doesn't make me think Computershare didn't send documents to allow him to sell his shares in V and participate in the takeover like other shareholders. Also I'm not persuaded that Computershare prevented Mr G from selling his shares in some other way at some other earlier time either.

It follows that my conclusion is that Mr G's complaint - that Computershare failed to carry out or arrange for him a sale of his shares - isn't one I can uphold. I can't find evidence Computershare did fail to carry out or assist in such a sale. My conclusion in that regard is the same as our investigator reached on that point.

So my decision is I do not uphold Mr G's complaint. I appreciate this will disappoint Mr G. I'm grateful to him for the time he has taken to call and explain his complaint to us, and for the courteous assistance he has given us throughout our consideration of this matter.

It is for Mr G to decide what to do next – we cannot help him further here. I don't know what Mr G would receive if he fills in and sends back the form Computershare sent him for his holding on the dissenter's register.

In case it is of help to Mr G in deciding how to proceed, the value of his shareholding in 2021 was less than £250 by my calculations above. I say this in passing because this is perhaps not a large sum, especially when set beside the amounts Mr G has said he has spent on phone calls he has made about it.

If Mr G does wish to complete the form Computershare sent him, I'd refer him to that form and to Computershare's complaint response letter for more details of what to do.

Finally, I'd mention that I've concentrated above on the points raised that I thought the most important ones. But I'd emphasise I have considered all the points that have been made. I thank Mr G and Computershare for all their points.

My final decision

For the reasons I've given, and in light of all I've said above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 August 2024.

Richard Sheridan
Ombudsman