

The complaint

Mr R complained about Computershare Investor Services Plc (Computershare). He said he didn't receive a letter from it about his employee share scheme. He said this meant he wasn't able to give instructions about what to do about his shares.

Mr R said Computershare's mistakes have incurred him losses and he would like it to compensate him for this.

What happened

Mr R was part of an employee share scheme with Johnson Matthey. He said he was employed with it for around 14 years and during this time accrued shares in its scheme.

Mr R said he left employment with Johnson Matthey in August 2021. He received a letter from it saying he would be written to by Computershare, where it would provide him with options relating to his shares and what he should do next.

Mr R said he never received the letter from Computershare, and it was only when he received a payslip from his ex-employer in October 2021, that he could see something had happened with regards to his shares. So, he went onto Computershare's website, and it was then that he found the letter that he said he should have received in the post. He said if he had received the letter then he would have chosen the option to sell the shares.

Mr R complained to Computershare about this, but he said, it didn't respond to him and there was a long delay. During this time, the share price of Johnson Matthey had gone down significantly. Mr R said he was unable to speak to anyone from Computershare so that he could resolve matters. Mr R said Computershare should have at this stage sold all of his shares and compensated him for the loss he made during the delay. He said he should receive the share price that Johnson Matthey was at, when a proportion of his shares were sold to cover a tax liability. He complained to Computershare about this.

Computershare said in response that it sent a leavers communication to Mr R's registered address, dated 20 September 2021. It said a leaver's task was also set up for Mr R online, which would've instructed Mr R to act with his shares.

It said as no instruction was taken online within the 21-day default period; the default option was applied. It said it sold 173 of Mr R's shares to cover tax liabilities on 13 October 2021, and then it sent him the remaining 972 shares [as a shares certificate]. It said it had done nothing wrong by doing this.

Mr R was not happy with Computershare's response and referred his complaint to our service. He said that without receiving any information from Computershare, he wouldn't have known to give any instructions.

An investigator looked into Mr R's complaint. He said Computershare said it sent the letter regarding Mr R's options with the matching share scheme. Mr R on the other hand said he

didn't receive it. He said he could see the letter was addressed correctly and that Computershare had no control over the courier once it sent it.

The investigator said Mr R raised concerns about what had happened on 23 October 2021 so he was satisfied Mr R could have sold all of his shares on this date, but he didn't make Computershare aware he wanted to sell all his shares until March 2022. He said Mr R received the share certificate in November 2021, but he didn't sell them at this point either. He didn't think it was fair to hold Computershare to account for Mr R not selling his shares and holding onto them for a long period of time after when he could sell them.

The Investigator concluded that the business had offered £100 compensation for the delay it took in responding to Mr R's complaint. He felt this was a fair and reasonable offer in the circumstances.

Mr R was not in agreement with the investigator's view. He said by the time he received the share certificates needed to sell his shares, the drop in share price had already happened. He then took the decision to hold onto the shares and not freeze the loss.

Mr R said he was concerned that if he sold the shares Computershare would use it against him as having taken the decision to sell. He said it took Computershare months to respond to his email and this is why it took so long for it to be aware of his intentions. He said Computershare made no effort to contact him to understand why he was not happy with the default position or his intentions.

Mr R said the investigator did not address the failure of Computershare to contact him in a timely manner or the financial consequences that stemmed from that.

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

Mr R left employment with Johnson Matthey in August 2021. He participated up to this point in a share match scheme that Johnson Matthey had set up and asked Computershare to administer. The premise of this scheme was that Mr R could purchase shares in the company and these would be matched by it. There were then tax implications, whenever Mr R left the scheme depending on how long he had held them for.

Mr R received a letter from Johnson Matthey on 6 August 2021, where amongst other things, it advised him that he would receive a leavers letter from Computershare, giving him options regarding what to do with his shares, due to him leaving its employment. The rules of the scheme meant that he either had to sell them all or sell a proportion to cover any tax liabilities and then transfer the remaining shares out either electronically or in the form of a share certificate. Johnson Matthey said within its letter, that Computershare would send this in the post and then he would have a default period of 21 days from the date of this letter to make his choice.

Computershare said it sent out a leavers communication to Mr R's registered address on 20 September 2021. I have been able to see a copy of this letter. I can see that it did put a

leavers letter together, with Mr R's name and address details on it and it was dated 20 September 2021.

In Mr R's submission he said he did not receive this. He said the first he was aware something happened was when he received his payslip, and he could see something had happened. He then queried this with Computershare on 23 October 2021 and sent it an email. I can see in this email, he asked why it acted without his permission and how he could make his choice.

I do not doubt the sincerity with which Mr R said he didn't receive the leavers letter. He has been consistent about what happened here throughout his complaint. However, this is not to say that Computershare didn't send it either. As I have already said, I can see that it has put together a letter to Mr R with his address details on, and it was its process at that time to send the letter to the leaver's address and direct them to its website to make their choice within the 21-day default period. On balance, I think I've seen enough to conclude it did send the letter. So, I don't think I can hold Computershare responsible for what happened next, this being that Mr R didn't receive it.

It is conceivable that there was a failure by a third party to deliver these forms. In this circumstance, it would be neither fair nor reasonable to hold Computershare to account for a service failure by a third party, for something that was not within its control. I think on balance, Computershare did what it said it would do, this was to write to Mr R, providing his options and then set up a time limited task online giving him 21 days to make his choice.

Mr R didn't receive the letter, and this was unfortunate as it meant, as he said, that he was unaware when the 21-day default period started and ended. When Mr R said he realised something had happened, he contacted Computershare to resolve matters on 23 October 2021. But by this time, it was too late to do so.

Computershare sent the leavers communication on 20 September 2021 and the 21-day default period started from then. So, the window for Mr R making his choice ran from this date until around 10 October 2021. Computershare then sold a proportion of Mr R's shares on either 13 or 14 October 2021 and went about sending the remaining amount on a share certificate. This was the default option, that in the leavers communication, Computershare said it would take if Mr R didn't make his choice. I can see that it clearly communicated what it would do here, and this process formed part of the rules of the scheme itself.

So, there wasn't an opportunity for Computershare to provide Mr R with his options again on 23 October 2021, when he contacted it to complain and ask what could be done. The letter had been sent (albeit Mr R didn't receive it), the 21-day default period had happened, and the default option had been taken by Computershare. So, at this stage, all Mr R was able to do was wait for his share certificate to arrive and then decide what to do with them next.

Mr R said he didn't receive the share certificate until November 2021, after the share price had fallen. Mr R has told our service he is yet to sell the shares. When to do so was and is entirely his decision. The shares have been available to sell since Mr R received the certificate. Mr R has explained why he hasn't sold them yet, but I don't think Computershare are responsible for his decision not to do so.

In conclusion, I have seen enough on this occasion, that on balance, suggests to me Computershare sent the leavers letter to Mr R's address, as was its role as administrator of the share match scheme. So, because of this and the reasons I've given above, I don't find it responsible for Mr R not receiving the letter and not being made aware when the 21-day default period started and ended. This led to him not making a choice, so Computershare

carried out the default option. I don't think it was wrong to do this either, as it was within the terms of the scheme. Finally, I don't think Computershare are responsible for Mr R not selling his shares from the point when he received them as a share certificate to the present. It is Mr R's choice as to whether he keeps or sells them.

I appreciate that my decision will be very disappointing for Mr R, I empathise with him regarding what has happened here, and I acknowledge the strength of his feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't think Computershare has made any mistakes in the way it has dealt with his share match scheme shares. So, it follows that I don't uphold his complaint.

Computershare said it was wrong to take so long to deal with Mr R's complaint. It has made an offer of £100 compensation for the mistakes it has made here. I think this offer is fair in all the circumstances of Mr R's complaint, after seeing the delays it made in responding to Mr R.

So, my decision is that Computershare should pay Mr R £100 as it has offered to.

My final decision

My final decision is that Computershare Investor Services Plc should pay Mr R £100, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 November 2024.

Mark Richardson
Ombudsman