

## **The complaint**

Mr M complains about the administration of his shareholdings by Computershare Investor Services Plc (Computershare).

He complains that Computershare is unable to tell him where his shares were transferred in 2015, and he complains that his shares were transferred without his authority.

## **What happened**

Computershare acts as the appointed registrar and administrator of shares held by Mr M. It held 119 shares for Mr M (which I will refer to as “M shares”) until 2015, when those shares were transferred.

In April 2024 Mr M contacted Computershare to ask about the “M shares.” Computershare informed him that his shares had been transferred but it was unable to tell him which broker they had been transferred to. It gave him information about the type of transfer - namely CREST (Certificateless Registry for Electronic Share Transfer) - and the transfer reference.

Mr M then made further calls to Computershare trying to obtain more information and indicating that he hadn’t given an instruction to transfer the shares. This culminated in Mr M making a complaint to Computershare.

Computershare didn’t uphold Mr M’s complaint. It said that his shares had been transferred in April 2015, leaving a nil balance on the register. Computershare said it didn’t have details of the broker the shares were transferred to.

Computershare also said that this was an uncertificated withdrawal which happens when it receives an instruction from a shareholder. It said the shareholder and the broker had to fill in the relevant form and ensure it was signed. So, it said it would have acted on the shareholder’s instruction.

Computershare said it was only entitled to hold physical records of transfers for six years, so it was unable to see where Mr M had transferred the shares to, or the name of the broker.

Mr M disagreed with Computershare’s conclusions and referred his complaint to our service.

Our investigator considered Mr M’s complaint but didn’t think it should be upheld. He said that businesses aren’t usually expected to keep financial records for more than six years and due to the time that had passed, Computershare had limited information available.

The investigator said Computershare had shared information from its internal systems by way of a screenshot which showed 119 Shares were transferred in April 2015 at Mr M’s request and they were transferred via CREST, a system which allows shares to be transferred between participating financial businesses.

The investigator noted Mr M had explained that he didn’t ask Computershare to sell or transfer his shares, but the investigator concluded it was more likely than not that Computershare’s records were correct.

The investigator also noted Mr M’s comments that Computershare was still sending him statements after 2015 and said Computershare had explained this was because there was a residual cash balance as a result of an outstanding dividend from 2014. He noted that a

cheque had been issued to Mr M and not cashed so Computershare had agreed to issue a new cheque.

Mr M disagreed with the investigator's conclusions and in summary said he didn't think this was a fair outcome as he had lost the value of his shares. He questioned the significance of the evidence provided by Computershare which didn't detail the recipient of the transfer. Mr M noted Computershare hadn't provided any evidence of a written instruction from him.

Mr M didn't agree that the digital transaction couldn't be traced despite the time that had passed, and he felt Computershare could find the recipient of the transfer if it made further efforts to do so.

Mr M said he had never employed a stockbroker.

Mr M gave some background to the shares and their origin as the original company had been taken over by another company. He noted there was information on a website relating to those shares that went back to 2012.

As no agreement could be reached Mr M's complaint was referred to me for review.

Mr M was provided with a copy of a screen shot of the internal record from Computershare's systems showing a transfer of shares had taken place in 2015.

Mr M said this document didn't show he had requested the transfer of his shares or given authority for the transfer to take place.

Mr M referred to the CREST system and questioned why Computershare hadn't kept any other record. He also said his understanding was that shares transferred to CREST must go to a member with an I.D. and this was a settlement of a transfer which results in the sale of shares from A to B, and the transfer of cash from B to A simultaneously. He said there was no reference in the record to the recipient of the funds, or the amount of funds.

Mr M also questioned the validity of the screen shot as it contained his current address, which he noted was different to his address in 2015.

### **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.

To recap, Mr M is unhappy that Computershare is unable to give him a detailed explanation as to what happened to his shares, and he says his shares have been transferred without his knowledge or consent.

Computershare is only able to say that Mr M's shares were transferred in 2015.

Computershare has provided a screen shot of its internal records which indicate that a transfer of these shares took place in April 2015. Computershare has also indicated the code recorded on its system shows that this was an uncertificated withdrawal, so a share certificate was not required to be produced. But unfortunately, the record is very limited and doesn't indicate where the shares were transferred.

However I am satisfied, that it is more likely than not, that the shares were transferred because I consider there is supporting evidence demonstrating a transfer took place as provided by Computershare.

I note Mr M's comments about the address on the screen shot of the internal record. Computershare has confirmed that the address on the internal record document provided,

reflects Mr M's current address recorded on its system and does not indicate that he was living at that address at the time of transfer. It has also provided confirmation of a change of address for Mr M on its system.

I don't consider the address on the screen shot invalidates the internal record because I don't think it is incorrect for an internal record to have the up-to-date address of a customer, even if the events on the record relate to a time when the customer was at a different (former) address. So I don't think there is any reason to consider this record to be invalid.

Mr M has also pointed out that he has received statements relating to these shares. I have considered the documents he has provided. These show a small amount of dividend money was owing to him and the same amount has remained outstanding over several years. Computershare has explained that the outstanding dividend was issued in 2014, so I don't think that contradicts the position that the transfer took place in 2015.

I also don't think it was incorrect or unreasonable for Computershare to continue to inform Mr M that he was owed dividend money. And the fact, no more dividends had been owing since that date, also tends to support the fact the transfer took place.

Mr M understandably wants further information about which broker his shares were transferred to and he has explained that he didn't give any transfer instructions. However, as I have said, Computershare has very limited information available.

As the investigator has outlined, Computershare is not obligated to keep records of transactions indefinitely. It has a retention policy, which I consider to be normal business practice, and its transfer documents are only kept for six years. So, as Mr M contacted Computershare nine years after the transfer took place, the documents or records that would give further detail are no longer in Computershare's possession. I don't think therefore that the fact the information it holds, doesn't detail the name of the CREST participant who the shares were transferred to, or the cash amount, demonstrates that Computershare has done anything wrong here.

I think it is also important to mention here that not only is Computershare not obliged to keep records indefinitely, but businesses also have to be able to justify why they are keeping records containing a consumer's information. Having retention policies is a way of trying to ensure that records are only kept for as long as is necessary and that there is a coherent approach to retention which takes into account the type of record and the reason/s for keeping it. Computershare has indicated the relevant period here is six years and I don't think that is, in principle, unreasonable given the nature of the documents involved.

Mr M has complained that he didn't give instructions to transfer those shares. As there are no transfer documents available, I am unable to say with certainty what instructions were given. In those circumstances I have to consider what, it is more likely than not, happened. And I don't think it more likely than not that Computershare would have transferred the shares without any instruction to do so.

I note that Mr M has also raised a question about some other shares and Computershare has explained those are different to the "M shares" and that it is not the registrar for those shares; the registrar is a different business.

### **Summary**

I appreciate this is a difficult and frustrating situation for Mr M who understandably wants to know what has happened to his "M shares." However I have to consider whether Computershare has acted incorrectly or unfairly here, and I am not persuaded on balance that it has.

**My final decision**

My final decision is that Mr M's complaint against Computershare Investor Services Plc is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 July 2025.

Julia Chittenden  
**Ombudsman**