

## The complaint

Ms W complained that Equiniti Financial Services Limited (EFSL) paid £12.04 share dividends to her ex-husband (Mr W) when she should have been the owner of the shares and entitled to the dividends. And it ought to have done more to transfer Mr W's shares to her in line with a court order.

## What happened

The investigator set out the background to the complaint in her recommendation letter, for ease of reference I have included an amended copy below:

In 2021 a court ordered Mr W to transfer his shares to Ms W. The order stated: *"The applicant (Mr W) shall transfer to the Respondent (Ms W) all his shares with Standard Life within 56 days of the date of this Order (12 March 2021).* I understand that Standard Life became abrdn and the shares are administered by Equiniti Financial Services Limited (EFSL).

On 8 December 2021 Ms W called EFSL (I've referred to EFSL throughout the background for ease but this may include other entities within the Equiniti group) to find out what was happening, but EFSL couldn't tell her anything because it didn't have the authority to speak to her about someone else's account.

On 3 March 2022 Ms W called EFSL again. In this call the agent told Ms W that it couldn't tell her anything about Mr W's account and that she'd have to either get in touch with him or his solicitor.

The agent let her know that she'd have to apply for an account in any event before the shares could be transferred and that she'd need identification to do this. Ms W didn't have the identification the agent listed. So, the agent said she'd be in touch about what they could accept instead.

On 6 February 2023 EFSL wrote to Ms W in response to her complaint that the shares ought to have been transferred because Mr W had signed a transfer form. EFSL stated they held no shares in her name, and it couldn't tell her anything about the shares because it wasn't authorised by Mr W to give her information. It suggested she contact Mr W to follow this up.

No referral rights to this service were provided in this letter.

On 4 September EFSL received a copy of the court order and Stock Transfer Form (not the correct form).

On 7 September 2023 EFSL wrote to Ms W, following a call the previous day. It sent her Transfer Form A and guided her on what to complete and for her to send her identification.

On 1 August 2024 Ms W returned a completed Transfer Form A. Ms W complained

again about the level of service and that the experience had caused her enormous stress and worry.

She wanted confirmation that the shares were now in her name as well as all outstanding dividends – including the one paid to Mr W around September 2021 (I take this to mean the £12.04) and backdated to 12 March 2021.

EFSL has since told us that when Ms W complained in February 2023 it had no relationship with her and as the shares were not in her name, she was not an eligible complainant or customer of EFSL.

Further it stated that even though Ms W was awarded the shares by the court, it couldn't carry out the order until it had the relevant form and/or sight of the order.

EFSL received Transfer Form A (although not signed by Mr W but Ms W) on 6 August 2024 and the shares were transferred on 12 August 2024. Therefore, it said, Ms W was not eligible to complain on 1 August 2024 as she wasn't an eligible complainant.

EFSL didn't think this Service ought to consider Ms W complaint as the issues she's complained of lay with Mr W and that the court didn't instruct EFSL to transfer the shares – that was Mr W's duty.

Further, it stated that the Stock Transfer Forms are issued by Equiniti Limited (as the share registrar) to transfer ordinary certified shares. And as such Equiniti Limited is not regulated by the Financial Conduct Authority (FCA) and therefore not in this service's jurisdiction. It stated the abrdn plc shares were held electronically in a share account and they were administered by Equiniti Financial Services Limited (EFSL) a regulated firm. It said Ms W wasn't a potential customer either of that firm, as a Transfer Form A was needed to complete the transfer not a Stock Transfer Form.

Our investigator looked into matters and believed that Ms W could be said to be a customer of EFSL's from September 2023. So the complaint was one that we could consider. She said that Equiniti was made up of a number of regulated and unregulated entities. EFSL was regulated by the FCA and was the administrator of the shares in question. She said in relation to the transfer form, whilst it was sent by an unregulated part of Equiniti, the footer on the form stated that EFSL was the regulated firm. She said Ms W had to set up a share account in her name and the terms and conditions refer only to EFSL. She said at least from 7 September 2023, EFSL was carrying out a regulated activity, administering the shares and that Ms W was a customer of it's or potential customer.

EFSL had said Ms W wasn't an eligible customer until August 2024 – which is when the shares were transferred to her. But the investigator didn't agree she explained that the relevant definition of a customer here was '*someone who uses, has used or may use regulated financial services*'. And EFSL was aware Ms W was to receive the shares, had opened a share account and it had received documentation to state she was to be the recipient of the shares. So the investigator said Ms W was a potential customer of EFSL from September 2023 when EFSL had been made aware of the court order and sent Ms W the transfer form.

The investigator said subject to no further disputes about the jurisdiction, we would then go onto consider the merits and she said she thought it was worth saying at this point that she didn't think EFSL had done anything wrong. She said the court order didn't instruct EFSL to do anything it was for Mr W to transfer the shares. And it had acted fairly in facilitating the transfer of the shares when it did.

Ms W remained unhappy she said in response to the view that she thinks she was its customer from 2021 when the court order was made. She felt EFSL should have done more to get the transfer moving, that it shouldn't have paid the dividend to Mr W of £12.04 and that they should give her that money.

EFSL said they didn't have anything further to add.

### **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.

For the avoidance of doubt, I agree that this is a complaint we can consider. EFSL was carrying out a regulated activity, administering the shares and Ms W was a potential customer of it at the latest from when it received a copy of the court order – showing Ms W should become the owner of these shares.

Ms W argues that she was a customer of its before then and that EFSL should've done more to progress the transfer. She wants to be compensated for this. But I think whether or not she could be seen as a customer of EFSL under our rules at an earlier stage is immaterial here. I say this because it is not in dispute that the court order required Mr W to transfer the shares – not EFSL – I've seen a copy of the order supplied by Ms W on her linked case. EFSL says it did not have sight of the court order until September 2023 – so it couldn't reasonably act to do anything until this point. And Mr W had never completed the form required to transfer over the shares. Ms W says as far as she is aware she thinks Mr W's solicitors sent the forms (and presumably the court order) in or around 2022. Ms W has not provided strong testimony or evidence that EFSL had this at an earlier stage and it is in possession of the evidence and has told us when it was received. Furthermore I note on the linked case regarding a different business, the court order wasn't supplied until August 2023. So, on the balance of probabilities, I think it most likely that it first saw the court order in September 2023 and Mr W hadn't completed the forms required. The evidence also shows it told Ms W on a number of occasions it could not complete the transfer without Mr W's completing form A – but this didn't occur.

I understand eventually it's compliance department took a decision to carry out the transfer without its usual requirements being met. It has confirmed it has never had any contact from Mr W regarding the transfer of the shares. I therefore think it has acted reasonably, it arguably didn't need to take this action but took a pragmatic approach to the issue essentially to help Ms W. It couldn't have reasonably done so without at least sight of the court order. I appreciate Ms W is upset about the dividend paid after the court order (but before the shares were transferred) to Mr W which she has not received. But I don't think EFSL has done anything wrong here, at this point it hadn't seen the court order and Mr W was still the owner of the shares. Ms W may be able to go back to the courts regarding this but I don't think EFSL did anything wrong here. It has acted fairly and reasonably in transferring the shares over to Ms W.

### **My final decision**

For the reasons explained above, I do not uphold this complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 30 December 2025.

Simon Hollingshead

## **Ombudsman**