

The complaint

Mr and Mrs F complain that Equiniti Financial Services Limited ('EFS') will only send the proceeds from a recent share sale to them in a cheque, which they say that they have no means of banking because of where they reside.

Mr and Mrs F would now like EFS to remit their share sale proceeds directly to their bank account. For simplicity, I'll refer to all submissions as having come from Mr F because he's dealing with the complaint on behalf of them both.

What happened

On 30 August 2023, Mr F, who lives in the European Union (EU), completed EFS's 'Postal Share Dealing Service Sell Shares' application form and sent it to them. The form requested the sale of the certificated shares he and Mrs F held in Centrica plc. The following month, he also completed EFS's 'Euro Payments via Credit Transfer' form that provided his overseas bank details. EFS received Mr F's postal sale instructions on 26 September 2023 and on 29 September 2023, EFS completed the transaction and issued a letter to him confirming the sale had taken place as instructed and enclosed a cheque payable to both himself and his wife for £382.73.

When Mr F attempted to present the cheque to their bank in the EU, he was advised that they no longer accept cheques and any payments must be made directly to them via bank transfer. Mr F telephoned EFS's helpline on 4 October 2023 to explain the situation that they'd found themselves in and asked for the monies to be sent directly to their bank. EFS's helpline operative explained to Mr F that he'd need to submit his request in writing for their team to look in to matters further for him. The same day, Mr F wrote to EFS to set out the problem he'd encountered with the cheque.

After not seeing any progress, Mr F telephoned EFS again on 23 October 2023. EFS explained to Mr F that if he were to return the cheque, they'd be able to reissue the Centrica proceeds in another cheque and in Euro; Mr F again explained that their bank in the EU no longer accepted cheques so it would make no difference whatever the currency a cheque was in. EFS's call handler explained that as he'd used their postal service for the sale, the only offering for the proceeds that they facilitate was payments by cheque. The call handler went on to say that Mr F should have used another service. To try and resolve matters, EFS asked Mr F to write to them again, explaining the issue so his case could be escalated.

Shortly afterwards, Mr and Mrs F decided to formally complain to EFS. In summary, he said that as he'd previously sent EFS their bank details, he couldn't see why they couldn't remit the Centrica sale proceeds to him electronically. Mr F reiterated the fact that their bank, nor any bank in the country that they resided, accepted payments by cheque as these had been phased out many years earlier.

After reviewing Mr F's complaint, EFS concluded they were satisfied they'd done nothing wrong. They also said, in summary, that the terms of the postal share dealing service that

they offered for international customers clearly states that payment can only be made by cheque. EFS did however concede that their helpline operatives could've managed Mr F's expectations better by being clearer that they wouldn't be able to look into matters further for him, so to say sorry for the inconvenience caused, EFS offered Mr F £50. In addition, to try and resolve matters, EFS said that they were prepared to repurchase the shares for the full value of the cheque that they'd issued; that would then allow Mr F the option of selling the shares through a broker of their choice.

Mr F and Mrs F were unhappy with EFS's response, so he referred his complaint to this service. In summary, he said that EFS were being unreasonable by failing to provide an alternative payment option other than cheque. Mr F also said that many banks across the EU no longer accept payment by cheque and EFS should be more flexible in their dealings with customers.

The complaint was then considered by one of our Investigators. She concluded that whilst EFS's terms had set out that all share sale proceeds would be provided in the form of a cheque, given the impact of that commercial decision, she didn't believe that Mr F had been treated fairly and asked EFS to issue payment for the shares electronically.

EFS, however, disagreed with our Investigator's findings. In summary, they said that despite the Postal Share Dealing Service Sell Shares' application form being clear that sale proceeds could only be provided by cheque, Mr F failed to question this with them beforehand. EFS said that had Mr F queried it, they would have explained that their postal sale service was likely not an appropriate method for him to sell their shares. In addition, EFS explained that they're unable to verify overseas bank accounts.

Our Investigator was not persuaded to change her view as she didn't believe EFS had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, EFS then asked the Investigator to pass the case to an Ombudsman for a decision.

After carefully considering the complaint, I explained that I had decided to issue a provisional decision on this case as, whilst I was minded to uphold Mr and Mrs F's complaint, I wasn't planning on instructing EFS to do anything beyond what they'd already offered to do. This additional window gave both parties the opportunity to provide any further evidence that they wished for me to consider before I reached a final decision.

What I said in my provisional decision:

I have summarised this complaint in less detail than Mr F has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr F and EFS in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm planning on upholding Mr and Mrs F's complaint but

I'm not going to instruct EFS to do anything beyond what they've already offered to do - I'll explain why below.

There's a number of different ways in which a consumer can hold shares within a company, and Mr and Mrs F held theirs in the form of a paper certificate. So, when he came to sell their investment in Centrica, he had a number of different options open to him in how he chose to dispose of them. Mr F decided to approach EFS and utilise their postal sale service. Equiniti are Centrica's share Registrar.

When using the services of any business, consumers will typically be provided with the terms and conditions that govern those services that covers what they can expect in return from the firm for any fees paid. The consumer needs to read and understand those terms beforehand and satisfy themselves that what they're entering into will provide them with the result that they wish.

The terms and conditions of EFS's postal service offering is covered in their 'Postal Share Dealing Service Non-UK National (Resident of the UK/EEA only) Sell Shares' form that Mr F signed on 30 August 2023 when instructing EFS to sell their Centrica shares. On page 1 it states (in red text): "*Please note: proceeds arising from any sale will be paid by cheque in pounds Sterling only*". And, on page 2 it states: "*Payment is by cheque in pounds Sterling only*". In addition, on page 5, it states:

"When will you confirm my shares have been sold?"

We will by close of business the following day, issue you with confirmation of your trade and sale proceeds cheques will be sent once the trade has settled. This is usually two days after we have placed your instruction in the market and will usually accompany the sale advice.

Who can the cheque for the sale proceeds be made payable to?

The cheque can only be made payable to the registered holder(s) in pound Sterling and sent to the address we have registered for you. The only exception to this is in the case of the holder being deceased.

Can you pay the sale proceeds into my bank/building society account?

Sale proceeds can only be issued by cheque in pounds Sterling. We cannot action or respond to any requests to pay proceeds to a bank/building society account".

So, it seems very clear to me that in using the postal service, EFS would issue the proceeds from any share sale completed using that offering via a cheque payment. And, when Mr F signed EFS's form in August 2023, he was agreeing to that condition. I've seen nothing to persuade me that Mr and Mrs F have been either misled that they would be entitled to receive a payment in a different format (to the cheque) or that EFS has treated them unfairly because from what I've seen, they have provided the service to Mr and Mrs F that they had originally committed to and one that he asked them to provide.

Given that EFS's postal sale form is sufficiently clear that payments can only be made by cheque and in sterling, I think that should have put Mr F on a path of discovery that there could potentially be problems banking that payment in his country of residence. But, Mr F didn't annotate their postal sale application form with any comments or include a covering letter to explain that they'd like a payment in Euro or electronic bank transfer. And, whilst EFS don't provide any advice to their customers, I'm satisfied that had Mr F included a covering letter or contacted EFS's helpline to clarify the situation, he would've been

informed that their postal service isn't suitable for consumers who can't bank cheques. I say that because during the telephone call to EFS on 23 October 2023, the EFS operative spelt that out to Mr F when he called to try and remedy the issue.

Had Mr F required the sale proceeds remitted to them in a different format, he was able, should he have wished, to utilise the services of a different provider, such as a local broker in his country of residence or another UK share dealing service. EFS say that they don't offer the option of sending sale proceeds to overseas banks because they're unable to undertake their verification checks. That's an operational decision for them so I can't instruct EFS to now provide a service to Mr and Mrs F that they never originally offered or do for other customers.

Whilst I sympathise with the position that Mr and Mrs F have found themselves in, that's not the fault of EFS. To help resolve the impasse, EFS have offered to buy back Mr and Mrs F's shares using the sale proceeds that they achieved on 29 September 2023 (£382.73) and reissue a share certificate. That would then allow him to take their shares to a different provider who can offer a remittance basis that would be suitable for their circumstances. EFS say that when they originally sold Mr and Mrs F's shares, they achieved a price of £1.58; the closing price on 7 February 2025 was £1.37. Therefore, they would receive back slightly more shares than he sold if they were to utilise EFS's offer. Whilst Mr F has explained that he doesn't want to make use of this offer because he sold his shares as a consequence of no longer wanting them, I'm of the view that this offer is reasonable in the circumstances. To be clear, I'm not giving any advice on the merits or otherwise of purchasing shares – the decision on whether to make use of this offer is one for Mr and Mrs F. Should he not wish EFS to repurchase their shares, Mr F will have to find an alternative bank that does accept sterling cheques.

In their resolution letter of 31 October 2023, EFS have offered Mr and Mrs F £50 to apologise for the misinformation that their telephone helpline provided on both 4 and 23 October 2023. EFS say that Mr F should never have been advised to write in and ask for their payment to be issued in another format because that's not a resolution that would ever have been available to them. For completeness, I have listened to those telephone calls. I do think EFS could have better managed Mr F's expectations during those discussions, so a payment of £50 does seem fair and reasonable in the circumstances and is in line with what I would have instructed them to pay them had EFS not already offered to do so.

Responses to my provisional decision:

After reviewing my provisional decision, EFS explained they had nothing further to add and that they accepted the outcome.

Mr and Mrs F, however, disagreed with my provisional decision. In summary, Mr F said:

- He felt that they've been treated very unfairly by EFS. Without checking the validity or even asking themselves any questions, EFS continues to offer and apply an obsolete method for international money transfers.
- EFS have continued to unfairly hold £382.73 which belongs to him and his wife, and the only option that they've been provided with is no longer an acceptable payment method in their country.
- The provisional decision only approaches the issue from the point of view of EFS's internal regulations which aren't in accordance with international money transfer rules and methods.

- Cheques are no longer bankable and therefore constitute an unworkable method of payment with the simple solution being a digital transfer.
- They received dividend payments from the Centrica shares directly into their bank account so he doesn't understand why EFS can't just transfer the sale proceeds in the same manner.
- EFS's solution of buying back their shares and then selling them through another broker is awkward, costly, unnecessary and just not realistic.
- He is planning on contacting the CEO of Centrica to highlight that their service provider is applying an obsolete method for international transfer methods.

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.

When mistakes occur, we'd typically instruct the business to put the consumer back into the same position, or as close to the same position as possible, that they would've been in were it not for the error. But, in this instance, I've not been persuaded that EFS have made a mistake. I say that because EFS clearly set out the terms of their postal share sale service in the conditions that Mr F signed to say that he agreed with. As I explained in my provisional decision, EFS's postal share sale form is sufficiently explicit that sale proceeds from that service will *only* be provided via a cheque, in pounds sterling. Mr F asked EFS to sell their shares and EFS provided the service that he asked them to do – they issued a cheque in pounds sterling. It's not the fault of EFS that Mr and Mrs F's bank will no longer accept cheques and I can't force EFS to provide a service to them that they don't offer.

Whilst Mr F may think they've been treated very unfairly by EFS as they continue to "offer and apply an obsolete method for international money transfers", I don't agree. Having looked at Centrica's website, I think it's been made clear that EFS hasn't been endorsed as necessarily the most suitable provider of share dealing services – the shareholder section of Centrica's website makes clear that a number of providers can be used and it's down to the individual customer to select the service that's most appropriate to them. Just because EFS doesn't offer electronic transfer for the movement of sale proceeds following a share sale doesn't necessarily mean they're doing something wrong – as long as the terms make clear the service they're offering, it's up to the consumer to decide whether it's right for them. And, just because cheques aren't an acceptable method of payment in Mr and Mrs F's country of residence, this ignores the fact that they may be accepted in other countries or that other customers may have a preference for payment by cheque.

Mr F says that they've received dividend payments from the Centrica shares directly into their bank account so he doesn't understand why EFS can't just transfer the sale proceeds in the same manner. The payment of dividends is a share registration activity and is different to share dealing – so I can't force a firm to provide a service that they never originally offered.

As I've not been presented with any new information that's made me change my mind, it therefore follows that I've reached the same conclusion for the same reasons that I set out in my provisional decision above. Should Mr and Mrs F wish to take EFS up on their offer of having them re-purchasing their shares, they should contact them directly.

My final decision

Equiniti Financial Services Limited has already made an offer to pay Mr and Mrs F £50 to settle the complaint and I think this offer is fair in all of the circumstances.

So, my final decision is that Equiniti Financial Services Limited should pay Mr and Mrs F £50 if they've not already done so.

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

Simon Fox
Ombudsman