

The complaint

Mr W, the executor of the estate of Mrs B, complains about the way Equiniti Financial Services Limited has handled dividends paid on shares the late Mrs B had held. He says Equiniti didn't do enough to pay the dividends to the estate, and only did so when he chased the matter after a substantial time had passed.

What happened

Mrs B passed away in 2022. Mr W, through his solicitor, notified Equiniti of the death soon after. In late 2023 Mr W's solicitors again corresponded with Equiniti – providing the grant of probate and asking for the shares Mrs B had held to be transferred to Mr W, and for any unclaimed dividends paid since Mrs B had died to be paid to Mr W as well.

In December 2023 Equiniti says it wrote to the solicitors – saying the shares would be transferred but a separate form was needed in order to claim the dividends. Mr W's solicitors said they never received this letter.

The late Mrs B's shares were transferred to Mr W in early 2024, and then in early 2025 Mr W realised Mrs B's share account with Equiniti was still open, and that unclaimed dividends remained held by Equiniti. He complained, and asked for the unclaimed dividends to be paid, without any fees being incurred. He also asked for compensation for the distress this had caused him.

Equiniti responded, and said it had written to Mr W's solicitor asking for his bank details in December 2023. It said because it hadn't received a response, the dividends remained unclaimed.

Mr W remained unhappy and came to our service. At this point Equiniti said it would offer to pay the estate £65 – the amount charged to reissue the dividends and the management fee on the account – as a gesture of goodwill, although it maintained it hadn't done anything wrong.

One of our investigators looked into the matter. In summary, across two assessments of the complaint she said:

- While the late Mrs B held a number of shares for which Equiniti was the registrar, we could only look at the actions Equiniti had taken regarding two holdings – in companies I'll call S and L – because it was only in relation to those shares that Equiniti also acted as the nominee and carried out regulated activities.
- She thought Equiniti had sent the letter it said it had in December 2023, and it shouldn't be held responsible if Mr W's solicitor didn't receive it.
- But she thought even if the letter had been received, what would have happened is that the dividends would have been transferred sooner, avoiding the reissue charges and management charges Equiniti offered to refund. So she thought that Equiniti's offer was fair in any event.
- She didn't think it appropriate to award anything for the distress Mr W had suffered, because he was representing the late Mrs B's estate and wasn't the underlying

customer himself.

Mr W didn't agree and asked for an ombudsman to decide the matter. In summary he said:

- It wasn't enough to rely on a screenshot showing Equiniti had sent the disputed letter. This wasn't sufficient evidence and it ought to have better records.
- Equiniti ought to have followed up – it isn't good enough to hold unclaimed dividends for over a year, knowing that the estate had indicated an intention to claim them, without sending further correspondence to get the relevant details it needed.
- Equiniti are the registrars for both the late Mrs B's certificated shareholdings as well as those for which Equiniti was nominee. So we should be able to adjudicate on their actions in relation to all the shares.
- As well as the impact on the estate, he had suffered inconvenience as a beneficiary of the estate and so a further payment of compensation in light of that would be justified.

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.

Firstly I'd like to acknowledge Mr W's strength of feeling about the complaint, and thank him for his clear and detailed submissions, which I've considered carefully.

There's been dispute about the extent to which we can consider Equiniti's actions as a registrar. As will become clear I don't think this actually matters in terms of what's fair and reasonable in the circumstances of this complaint – because I think the matters which Mr W is unhappy about and which give rise to his claimed loss and distress arise from the regulated parts of Equiniti's actions in any event. But for completeness:

Equiniti has separate entities – Equiniti Limited which is unregulated and is the registrar for many companies, including those which the late Mrs B held certificated shareholdings in. Part of that entity's role includes distributing dividends, including after a shareholder dies, but the distribution of dividends isn't a regulated activity about which we can consider complaints, and as above Equiniti Limited isn't regulated itself.

Equiniti Financial Services Limited is, however, a regulated firm. Its services include holding shares as nominee – carrying out the regulated activity of safeguarding and administering investments. So the regulated arm of Equiniti also had responsibilities as the legal holder of shares held on the late Mrs B's behalf. It was in that capacity that it wrote to Mr W's solicitors regarding the nominee holdings of S and L shares, and I'm satisfied that the crux of this complaint relates to that correspondence and Equiniti Financial Services Limited's actions and inactions around that time and which Mr W is unhappy about.

There's also been dispute about whether a key letter was sent on 29 December 2023. This letter informed Mr W's solicitors that they or he needed to provide a form and bank details in order for the retained dividends to be released.

While I agree with Mr W that it's unfortunate the actual letter can't be reproduced, I'm satisfied overall that the screenshot of Equiniti's system shows the letter was sent to the correct address for the firm of solicitors, and the system entry shows the template wording of the letter. On balance I think it's more likely than not that Equiniti sent this letter.

Mr W thinks that Equiniti ought to have followed up when the letter wasn't responded to. I have some sympathy with this position. Equiniti knew Mr W was the executor of Mrs B's

estate, and by virtue of a different form he'd provided was going to transfer the shares she'd held into his name. The disputed letter simply told Mr W that he needed to give his bank details on a different form, but Equiniti was aware of his intention to transfer the unclaimed dividends because that's what Mr W's solicitor had asked it to do. Bearing in mind its obligation to act in accordance with its customers' best interests, I think it would have been fair and reasonable to expect Equiniti to make an attempt to get the form it needed, particularly as it already had Mr W's details from the share transfer request.

As our investigator set out, and as the unclaimed dividends have now all been paid, the only financial impact on Mrs B's estate takes the form of any fees or charges paid while the unclaimed dividends were held during 2024, and the associated account management fees. I'm pleased to see Equiniti offered to refund those fees, and like our investigator I think that puts things right for the estate.

Mr W has said Equiniti should pay more in compensation for the inconvenience and distress he's suffered in trying to resolve this issue.

I'm afraid to say that I simply don't have the power to make such an award, even if I were minded to do so. We can only consider complaints brought by or on behalf of eligible complainants. And so we can only award compensation to eligible complainants.

Here, it's the late Mrs B who was Equiniti's customer and therefore held the eligible complainant relationship. Mr W is both the executor of her estate (and therefore brings this complaint on behalf of the estate) and a beneficiary of the estate. But with neither of those "hats" does he have an eligible relationship with Equiniti himself as an individual. And so I have no power to make any award to him personally.

Putting things right

If it hasn't already done so, Equiniti should pay £65 to the estate of the late Mrs B.

My final decision

My decision is that the offer Equiniti Financial Services Limited has made to settle this complaint is a fair and reasonable one. So it should pay the estate of Mrs B £65.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 13 June 2025.

Luke Gordon
Ombudsman