

## **The complaint**

Mr K complains Halifax Share Dealing Limited trading as Lloyds Bank Direct Investments (HSDL) haven't been sending him details of annual general meetings (AGM) for shares in his Individual Savings Account (ISA). And that when he submitted questions to be raised at an AGM, they failed to acknowledge them or to submit them.

## **What happened**

Mr K opened an execution only share dealing account with HSDL in 2013. In a telephone call in March 2024, he asked HSDL what he needed to do to provide voting instructions for an upcoming AGM for a business within his share dealing account. Mr K also said he wished to raise a number of questions of the business to be considered at the AGM. HSDL told Mr K that they don't automatically send voting instructions to consumers on the type of account he has unless a consumer had asked for this to be done. They set the account up on the call and provided an email address for him to submit his voting preferences. HSDL told Mr K they would then collate all of the responses and submit them to the business along with any questions raised.

During the same call, Mr K complained to HSDL that his account hadn't been receiving annual reports and AGM notifications. HSDL responded to Mr K on 2 April and explained the terms and conditions of the account require him to ask for this information to be provided.

Mr K sent his voting preferences and questions to an email address HSDL provided. He says he didn't get a response from HSDL and chased them using the same email address. When he didn't receive a response Mr K called HSDL and they confirmed they submitted his voting preferences on 16 April but not the questions he'd provided. Mr K complained to HSDL that his account should have been set up to receive information about AGM's and voting rights, and that HSDL had told him he could submit any questions, and they would present them on his behalf.

HSDL provided a final response to Mr K's complaint on 16 May. They said the agent he spoke to in March provided an email for him to submit his voting preferences, but didn't mention anything about answering questions. They also explained the email address provided is only used to collate voting preferences and they do not provide responses.

When Mr K brought the complaint to the Financial Ombudsman Service, one of our Investigators looked into things. Our Investigator thought HSDL should have told Mr K earlier than they did that they were unable to submit questions to a business for consideration at an AGM. And although HSDL did submit his voting preferences, they should have told him the questions he'd provided weren't sent. The Investigator thought that HSDL should pay Mr K £150 to reflect the distress and inconvenience in submitting the questions only to find out later HSDL could not send them on. Mr K asked that an Ombudsman decides the complaint.

## **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 understand that Mr K will be disappointed, but for very much the same reasons as our Investigator I've decided that HSDL should pay him £150 to resolve the complaint. I will now explain why.

#### *Notification of annual reports and AGM's*

When Mr K opened his direct investment account with HSDL in 2013 he agreed to the terms and conditions of the account. HSDL has provided Mr K with a number of notifications and important information since he opened the account. However, with respect to AGM's and voting preferences, HSDL's terms and conditions explain:

*"12.1 If you ask and where available, we will arrange for you to: a. attend shareholders', securities holders' or unit holders' meetings (subject to any restrictions on attendance imposed by the company); and b. vote by proxy (by telling us how you want the votes to be exercised by the nominee company). We will only use any rights we have to vote for you when you tell us to do so."*

When Mr K first called HSDL about an upcoming AGM and how he could submit his voting preferences, they told him that he hadn't asked for this information to be provided. Importantly, HSDL did take his instruction to provide this information during the call and provided an email address for him to send his voting preferences. Mr K remained frustrated that his account hadn't been set up to send this information to him previously. I understand this, but the terms and conditions of his account specifically explain that HSDL will only arrange for Mr K to attend an AGM and allow a vote by proxy if he asks them to. By opening the account, Mr K agreed to this. And although he feels the account should automatically be set up so that he received this information, this is how HSDL operate the account. As I don't think this is unclear, I've decided that, in this regard, HSDL didn't do anything wrong.

#### *Failure to carry out agreed instructions*

Mr K didn't ask HSDL about a proxy vote until March 2023. When he did ask, HSDL provided Mr K with an email address for him to send them his voting preferences. After receiving the voting preferences, they collated them with other nominee shareholder voting preferences and sent them to the business. So, I'm satisfied that HSDL did carry out Mr K's instructions in respect of his voting preferences.

Regardless of HSDL providing the voting preferences, Mr K had also asked that they forward a number of questions to the business before the AGM. In this regard, in a telephone call with Mr K on 22 March, HSDL told Mr K he could send his voting preferences and any questions he had, and they would present them on his behalf. Although HSDL say the agent didn't mention anything about answering questions, I've listened to the call and the agent did say just that. It may be that it wasn't the intention of the agent to confirm HSDL would send on the questions Mr K provided, but I am satisfied that having heard this statement, Mr K would reasonably have believed HSDL would be able to submit questions on his behalf. When Mr K later found out that this is not a service his account provides, he felt let down by HSDL. He then spent longer than he needed to on the telephone with them trying to understand what had happened. I'm satisfied HSDL provided a poor service here and that a payment of £150 to reflect the distress and inconvenience the poor service caused to Mr K, is a fair and reasonable remedy to resolve the complaint.

Mr K has pointed out that in a response to his complaint, dated 2 April, HSDL didn't provide him with referral rights to the Financial Ombudsman Service. I've seen a copy of this letter along with a copy of HSDL's final response letter dated 16 May that did include referral

rights. Mr K believes HSDL has failed to meet their regulatory requirement in this regard. Unfortunately, complaint handling isn't a regulated activity. The Financial Conduct Authority (FCA) Handbook, DISP 2.3.1R says that the Ombudsman can consider a complaint if it relates to an act or omission by a firm in carrying on one or more of the regulated or other covered activities, or any ancillary activity carried on by the firm in connection with them.

And in DISP 2.1.4G (3), carrying on an activity includes, *'the manner in which a respondent has administered its business, provided that the business is an activity subject to the Financial Ombudsman Service's jurisdiction.'*

So, because Mr K's concern is about HSDL's failure to include a referral to the Financial Ombudsman Service, which is not a regulated activity or an ancillary service, I cannot comment any further. However, if Mr K has any concerns that HSDL has failed to meet their regulatory requirements, he can raise this with their regulator – the FCA.

### **My final decision**

For the above reasons, I've decided that Halifax Share Dealing Limited trading as Lloyds Bank Direct Investments should pay Mr K £150 to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 July 2025.

Paul Lawton  
**Ombudsman**