

## The complaint

Mr W complains that Computershare Investor Services Plc requested identification to verify him before proceeding with his withdrawal request. He's unhappy as he's been investing with them for over 15 years.

## What happened

On 13 February 2025, Mr W attempted to sell some shares he held in his dealing account with Computershare. After being unable to do so, Mr W was informed this was because he'd failed Computershare's electronic money laundering check. Mr W complained to Computershare about their decision to request certified documents to verify his identity after 15 years of investing with them. He'd intended to withdraw money to top up his ISA for the tax year and had to draw on other funds to do so.

When Mr W challenged why Computershare required the documents, it became apparent to him that the issue had arisen because his father had the same name as him (though the middle names differ) and his father had passed away, causing him to be identified as potentially deceased on a check Computershare had carried out before releasing any money.

Computershare didn't change their requirements when Mr W shared this information with them. He felt the requirements were disproportionate in the circumstances. Computershare disagreed in their final response letter of 27 February 2025.

Mr W was dissatisfied with this outcome and brought his concerns to this service on 5 June 2025. The complaint was then considered by one of our Investigators. He concluded that Computershare hadn't treated Mr W unfairly. He also said, in summary:

- Computershare had used a third-party provider to conduct their anti-money laundering (AML) check that resulted in them asking Mr W for certified identification. Having looked at those search results, Mr W's full name, including middle name and his correct date of birth was used. The outcome was that his name was flagged as potentially deceased.
- Computershare listed eight different professions that could certify the documents, five accepted documents to verify his identity, and five further accepted documents to verify his address. While Mr W had, in part, raised cost concerns associated with getting his documents notarised as part of his complaint, it was our Investigator's understanding there wasn't necessarily a need for a cost to be incurred to meet Computershare's requirements, beyond the postage.
- Computershare explained that despite Mr W's rationale for why he thinks the check produced the result it did, that didn't alter the requirement to verify that the person they were dealing with was in fact Mr W. While our Investigator appreciated Mr W's frustration at being asked to produce the documents at a time when he wanted to act quickly, he thought it was reasonable for Computershare to have taken this precaution to protect his money.

- Mr W has chosen not to comply with Computershare's request so far. Our Investigator couldn't agree that Computershare were overzealous or requested unnecessary documentation to continue with the withdrawal process. Whilst new customers can upload documents online without certification, as Mr W was looking to withdraw money, this inherently carries more risk.
- The AML checks form part of their dealing agreement, which by using the service, Mr W had agreed to. Section 3.1 states that "*By agreeing to use this Service, you give us permission to check your identity using electronic identity checking services where necessary*".
- Computershare entered Mr W's full information and received a result from outside sources that caused them to request documentation from him. Based on what our Investigator had seen, Computershare weren't responsible for the outcome of the check.

Overall, our Investigator didn't think it would be reasonable to hold Computershare responsible for any loss Mr W may have incurred as a result of asking him to verify his identity.

Unhappy with that outcome, Mr W then asked the Investigator to pass the case to an Ombudsman for a decision.

### **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 have summarised this complaint in less detail than Mr W 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. Instead, I've considered the crux of Mr W's complaint which is whether Computershare's request for certified ID after a "potentially deceased" alert on the third-party provider's systems was reasonable and proportionate before allowing a withdrawal.

I want to acknowledge that I understand why this situation has been particularly frustrating for Mr W. He'd intended to act quickly in order to maximise his ISA allowance, and being asked for additional documents at that point clearly caused inconvenience. I don't doubt that this has had a real impact on him and I've kept that in mind when considering what's fair and reasonable.

My role is to consider the evidence presented by Mr W and Computershare 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 not upholding Mr W's complaint - whilst there's not a great deal more that I think I can add over what our Investigator has set out, I'll explain why below.

I think it's important to start by explaining the background to why Computershare asked Mr W to provide them with additional information, well after the account had opened. All regulated financial services firms, including Computershare, are obligated to ensure that the records they hold about their customers' background and circumstances are up to date. They're required to do this at the start of the relationship and on an ongoing basis and it's often referred to as 'know your customer', or 'KYC'. Those checks are designed for a number of reasons, not least to help prevent money laundering and fraud. Without an updated customer record, Computershare isn't able to maintain compliance with their legal and regulatory requirements. And, any failure on Computershare's part to ensure their KYC and AML records are up to date could result in serious consequences for them such as significant financial penalties or in a worst-case scenario, loss of license.

Importantly, the rules that provide the foundation for KYC and AML checks are updated regularly so it doesn't necessarily follow that just because a firm didn't ask for a particular piece of information when the account was originally opened (or that they only asked for very basic information on the issue), that they then can't ask the consumer to provide wider clarification on the issue later on. So, whilst Mr W may be of the view that his circumstances since opening the account 15 years ago haven't changed, it doesn't matter. The rules covering fighting financial crime are broad and updated regularly and Computershare is well within their rights to request reasonable information from their consumers as and when either those external rules or their own policies alter or as part of their ongoing cyclical checking to ensure the accounts being managed on their platform fall within their risk appetite and for example, when withdrawals (which are considered very high risk) are being undertaken.

I really do appreciate that from Mr W's perspective, having held the account for over 15 years without issue may make the request feel unnecessary. However, the length of a customer's relationship with a firm doesn't remove or reduce that firm's regulatory obligations. These obligations apply throughout the entire life of the account, not just at the point it was opened. So even long-standing, low-risk customers can be asked to provide updated verification if new information, regulatory changes or risk triggers arise.

A deceased marker is treated as a significant risk signal within the financial services sector because it can indicate potential impersonation or attempted misuse of an account. For that reason, it is standard practice for firms to apply enhanced checks when such an alert appears, even if the consumer believes they can readily explain the reason for the mismatch. Until the firm has verified the customer's identity independently, the risk remains unresolved from a regulatory perspective.

The regulator, the Financial Conduct Authority (FCA), who oversee firms such as Computershare, have been very clear in their expectations around the efforts and emphasis that businesses must place on ensuring that they protect customers' monies. That's because over recent years, there's been a significant uptick in the number of consumers being scammed out of their savings and as such, the FCA has reminded firms on multiple occasions (in at least three of their last annual business plans) that they expect firms to place significant focus on ensuring that they protect customers' savings from fraudulent access. And, there are various examples (all well documented online) where the FCA has taken punitive action against firms that they consider to not have adequate controls in place to safeguard customers' monies.

From what I've seen, Computershare try, where possible, to verify customers electronically but in some instances that either isn't possible or the results of that check require further validation, and it's the latter of the two that occurred here. I've looked at what triggered the need for Computershare to request further evidence of Mr W's identity. It seems that when Mr W's details were input into the third-party provider's software, a name with the same

initial and surname came up with a deceased marker. So, I don't think they were being unreasonable when they sought out further information.

Mr W has made a number of arguments about the content of Computershare's searches and what the resulting third-party software generated, but the point here is that a doubt existed about his identity following that search. Importantly though, I don't think it matters what the outcome was of the electronic check because according to Computershare's terms and conditions (section 3.2 which Mr W will have agreed to when he became a customer), it doesn't state that their AML check will be limited to just an electronic search.

Computershare's terms state that customer's '*may have to produce satisfactory evidence of your identity*'. That means Computershare can ask for additional paper verification from the customer (even if the electronic check has been passed), to satisfy themselves that the person they're dealing with is the individual to which the monies are ultimately entitled.

I've considered whether Computershare's request went further than necessary. I'm satisfied that it didn't. The firm offered multiple acceptable certifiers and document types, which reduces the burden and cost. Reasonable alternatives exist in the market (such as a Confirmation of Verification of Identity completed by a UK regulated firm, or certification at the Post Office) and I've not seen evidence that Computershare would have refused such recognition. While I recognise Mr W's frustration at timing, on balance I find the steps requested by Computershare were proportionate to the risk signalled by the "deceased" alert that appeared on the check that they undertook.

It's important to stress that my role isn't to decide whether Computershare handled every aspect of this perfectly, nor whether they could have acted differently. Instead, I must decide whether what they did fell within the range of reasonable and proportionate actions available to them in the circumstances. Firms are allowed a degree of judgment when responding to risk indicators, provided that judgment is applied fairly and in line with regulatory expectations.

But, for me to be able to uphold Mr W's complaint, I need to be satisfied that what Computershare were asking for was unreasonable or unnecessary. Having looked at the background to why Computershare have asked for the verified documents, I can't reasonably conclude that threshold has been met. Computershare rely on a third-party software provider to undertake their checks and that resource flagged a potential issue. The FCA expects firms to maintain up-to-date KYC records and apply proportionate checks when risk indicators arise, including where databases suggest a customer may be deceased. And, asking for enhanced verification before releasing funds is consistent with the regulator's SYSC's financial crime controls and their current focus on reducing and preventing financial crime.

### **My final decision**

I'm not upholding Mr W's complaint and as such, I won't be instructing Computershare Investor Services Plc to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 March 2026.

Simon Fox  
**Ombudsman**