

## The complaint

Mr J complains he was unable to benefit from his maturing share-save plan. He seeks compensation from Computershare Investor Services Plc for lost benefits and distress and inconvenience he has suffered.

## What happened

Mr J was leaving his employer. He had two share-save plans. Under their terms he would lose his right to buy shares with the plan funds once he left his employer. The plans allowed him to buy shares once the plans matured – he couldn't buy shares before the plan maturity date. One of his plans wouldn't reach maturity before he left, so he wouldn't be able to buy shares with it. But the other would mature on his leaving day.

Mr J has told us his complaint is Computershare confirmed to him that although he was leaving his employer that year in July, he would still be eligible to benefit from his maturing plan, but *“the reality appears to be different”* he says.

Mr J says before he decided to hand in his notice, he contacted Computershare in or around Spring 2022 and *“asked if I was able to receive my matured funds”* if he left his employer. He says Computershare told him, yes, he could do this - *“as long as I made the election to cash in my savings after the maturing date and whilst still employed on 1 July 2022”*. Mr J says he worked on that basis. He also says if Computershare hadn't reassured him in this way, he would've arranged to leave later to ensure he could benefit from the plan.

By *“receive my matured funds”* he meant use the savings in his maturing plan to buy shares. This offered a benefit he could realise immediately as the price he'd get from selling the shares was more than he'd pay for them within the plan. He says he sought guidance and advice from Computershare so as not to forfeit this investment gain.

Mr J says before making the selections, and because he did not want to make the incorrect option choice, he contacted Computershare again to confirm what he needed to do. He has referred us in this regard to a chat message record.

A 16 May 2022 chat record shows Mr J told Computershare he was leaving his employer and his last day *“currently”* would be 1 July 2022. He said one of his plans was ending on 1 July 2022 and he understood he would be able to sell his shares from it *“without forfeit”*. He said he understood his other plan would be closed early and he would just receive the cash back from that. He asked Computershare if all this was correct. After establishing he was leaving due to resignation, Computershare told him: *“...I can confirm you are correct... And you will be able to exercise your [maturing] plan upon the maturity date of 1 July.”*

Mr J then asked: *“As 1<sup>st</sup> July is my last day at [his employer]... can I request “sell” my [plans] now but state an execution date of 1 July?”*

Computershare answered: *“No. It has to be done on the maturity date. You will still have access to your [plan account] after you leave your company.”*

Mr J says when he went onto the portal later to make his choices *“my intention as stated on the chat script, and from the phone calls was to wait until the [maturing plan’s] maturity date to cash in... and to exit the other plan early as I would not be able to continue paying into it”*. *“I believe my intentions were clear, however the plan choices had been confused”*. He says he made his selections when the share window was open, *“believing all was OK”*.

But the instructions Mr J gave were to withdraw savings from the maturing plan. Mr J has told us when selecting his share-save options he mistakenly submitted the incorrect choice on the web form. He says he did this when handing back his work laptop at the end of June, which he says is partly why he made the error. He says he mistakenly opted to terminate the maturing plan a day before it matured. Computershare agrees this all happened on 30 June – the day before the plan maturity date. Mr J says when he checked later, he could see the maturing plan had been removed early on or around 30 June while his other plan was still in force. But he says his intentions were clear – his point being it is obvious he didn’t intend to cash in the maturing plan but the other plan.

Mr J has emphasised he made his election while still employed by his employer and he left the employer in July after the maturity date – and after checking with Computershare if his savings would be jeopardised, as described above.

Mr J told us he *“realised I made a mistake”* in August and *“raised the complaint related to an error I appeared to have made when making my fund withdrawal selection”*. In August he was given a copy of a chat transcript and in September Computershare told him a 16 May chat transcript showed it hadn’t told him he could get plan profits if he closed the maturing plan before maturity and it couldn’t reverse this due to tax rules.

But Mr J says, after a lot of conversations, *“in September it was confirmed that my savings plan could be reinstated at Computershare”*. Computershare’s 23 September 2022 phone note says it told Mr J he could return his savings and have his plan rebuilt. Both Mr J and Computershare agree there was an understanding between them at the time that the rebuild would allow Mr J to buy shares with the savings in the plan (and then sell the shares). To enable the rebuild Computershare asked Mr J to return the withdrawn savings, which he did.

Mr J emphasises that Computershare in its conversations with him at the time reported that there were had been internal errors at its end which it was investigating and had corrected to avoid a similar issue again. Computershare doesn’t accept there was any error on its part. It says it didn’t uphold Mr J’s complaint, but this didn’t matter since the plan could be rebuilt which Mr J was happy with.

Mr J’s 22 September 2022 email set out his understanding of the situation at that time as follows: *“...my situation and error has been recognised as genuine, and... I demonstrated how unsure I was, and was nervous as a result of the importance to make the correct online choice so that I would not forfeit [3 years] of investment gain. Today I sent [his plan funds] back... My... plan is being rebuilt, and then I’ll be able to exercise it correctly to buy shares, and then to sell them for an investment gain.”*

On 3 October 2022, when the account had been rebuilt, Mr J asked Computershare for help finding the option on the portal that would let him use the rebuilt plan to buy and sell shares like he could’ve done when he had been employed. Computershare agreed to check for him.

Mr J says after several days Computershare sent him an email explaining there had been a series of internal errors on its part and it shouldn’t have rebuilt the plan and he wasn’t eligible to withdraw his savings at the matured rate as intended and expected - instead he could only get his cash returned. Computershare’s email said the rebuild wasn’t permitted because Mr J left on the same day as the maturity. The error it apologised for was telling Mr J it could

rebuild his plan to let him buy the shares he had missed out on.

Mr J asked Computershare to look into it again. He says Computershare reported back that its management had decided what had been agreed was no longer possible and so it was saying at that point that all his effort and his conversations with Computershare were no longer valid.

Computershare apologised and said that because Mr J's leaver status had changed there was no option to use the savings to buy shares and then sell them. It told him to speak to his ex-employer or seek other help. It offered Mr J a gesture of goodwill payment and interest at 8% on the savings from the date it has requested he return them. Mr J wasn't satisfied with this so he brought his complaint to us.

Our investigator considered the complaint and noted Computershare had told Mr J before the plan maturity date that he could buy shares with the maturing plan if he made the election on 1 July 2022, when the plan matured and while he was still employed. She said Mr J had left the employer by the time he asked Computershare to rebuild the plan, so he wasn't entitled buy shares under the scheme terms. She said to direct Computershare to allow Mr J to buy shares would mean asking Computershare to go against the scheme terms for an error it hadn't made – and she didn't think that would be reasonable.

But our investigator thought Computershare should pay Mr J £200 in total for disappointment it caused him when it wrongly told him he would be able to buy shares using the rebuilt plan. Computershare had already paid Mr J £50 of this. Our investigator didn't recommend that Computershare compensate Mr J for the value the shares he could've bought would've had.

Computershare agreed to pay Mr J the extra £150. It said its position was unchanged and that Mr J wasn't eligible to buy shares with his plan as he had resigned from the employer.

Mr J didn't agree with our investigator's opinion. His points included, in brief summary:

- Key facts to reference were the efforts he had made to check with Computershare how to achieve his intention of receiving the full matured plan value of his maturing plan – and the advice Computershare had given him on how to succeed with this – which was done when he was considering a move away from his employer.
- The investigator said Computershare didn't make an error, but Mr J believes it admitted two errors - which it explained at the start of his complaint and then later towards the end of his complaint when it went back on its decision to allow him to realise his full plan value. He believes by agreeing to rebuild the plan so he could buy the shares as he had intended, Computershare was admitting to there having been internal errors.
- The agreement to allow him a rebuilt portfolio was recorded and agreed in emails and phone calls. When he discovered he still couldn't withdraw the matured funds (buy the shares, sell them and withdraw the proceeds) Computershare was puzzled about this too. It started to investigate and replied after some time that it had decided to go back on its verbal agreement, without giving him any reasons and without any communication or consultation with him. Computershare then offered no further input or dialogue. This was made worse by it not offering access to or cooperation with the ombudsmen, before then deciding after some months it was happy for the ombudsman service to investigate.
- If he had left at the end of the next month, he would've still been in the same situation because the fund payment took around a month (at which point he noticed he hadn't received the amount he was expecting). This was not explained to him at any stage and if he had known this he would've organised his departure two or even three months after

his matured funds had been paid into his bank account rather than the same month that he made the election. This was all part of his questions and the intentions he explained to Computershare.

- His savings are still with Computershare. He wants Computershare to recognise that he queried if his plan to leave his employer would jeopardise his savings plan value, and Computershare told him he would be able to withdraw his funds at the matured value. It should recognise his genuine withdrawal mistake after saving with it for three years.
- Computershare offered a goodwill gesture to compensate and recognise the anxiety it has caused and continues to cause, but this is nowhere near the estimated increase in plan value.

As the matter couldn't be resolved informally it has been passed to me to decide.

### **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.

Having done so, I've arrived at the same conclusion as our investigator. I acknowledge this conclusion will disappoint Mr J greatly. I'll explain my reasoning and address what I consider to be the main points below, briefly.

Mr J sought help from Computershare before he made his error – so I've considered whether Computershare bears any responsibility, as a result of acts or omissions during those interactions, for Mr J losing his share-save benefits.

Mr J says he was anxious to make sure he didn't lose the benefits of the maturing plan and he would've been willing to change his leaving date if this was necessary. I accept what he says in this regard. But from what I've seen I'm satisfied Mr J's plan would've allowed him to use his maturing plan to buy shares on his leaving day, which was also the plan maturity date. This is what Computershare told him in the chat and what Computershare told him there was accurate. So I don't think Computershare misled Mr J on that point. Mr J didn't need to change his leaving date in order to buy shares with his maturing plan.

I've seen nothing to suggest the plan allowed the purchase of shares or instructions for their purchase to be given before the maturity day. In Mr J's case the maturity date was the same as his leaving date. So Mr J would have only one day to use his option to buy shares from the maturing plan – he had to wait for the maturity date and buy the shares before he left. So Mr J couldn't have bought shares on the day he requested to withdraw his savings, because it was a day before the maturity date. Computershare told Mr J on the chat that he couldn't give instructions early. So I don't think Computershare misinformed Mr J on this point. Also I haven't anything to make me think Computershare was responsible for Mr J's administrative error in asking to withdraw funds from the maturing plan instead of from his other plan.

I accept Mr J was anxious to make the right choice. But the fact he was concerned to do things correctly and asked Computershare for help and guidance, doesn't mean I can find Computershare at fault for Mr J's error. Nor does it mean Computershare didn't give Mr J help he requested.

I note Mr J says it took a month for the payment to appear in his account after he requested it. But this doesn't mean Mr J couldn't have bought shares with his plan – as I've already said above. So there wasn't any need for Computershare to advise Mr J to change his leaving date. The delay in receiving the funds was only relevant because Mr J had made an

error and left employment without giving instructions to buy shares from the maturing plan.

Mr J of course had no reason to ask Computershare what would happen if he left before buying the shares or withdrew from the plan before maturity by mistake. He had no reason to expect these things to happen. So the fact Computershare wasn't able to allow him to buy shares in these circumstances, doesn't mean it should've told him to change his leaving date. I can't see that it was at fault for not anticipating or exploring these scenarios.

Also the scheme rules were plain that the option to buy shares would lapse once Mr J left – and Computershare made clear to Mr J that he would have to buy the shares on his leaving day. If Mr J had concerns with this timescale and had scope to alter his leaving date, he was free to do so. But I don't see this is something Computershare needed to advise him to do. He didn't need to do this to get the shares and Computershare wasn't wrong to tell him he would have time to buy the shares before he left his employer.

I mention in passing that from what Mr J has said it isn't obvious that he gave or tried to give any instructions on his leaving day to buy shares, which is the day he was told he would have to act to buy the shares. But regardless of whether he tried to do that or not, I've found no grounds for saying that Computershare did anything wrong before Mr J made his error, that could make Computershare responsible for that error or the loss of benefits it led to.

Be that as it may, Computershare did tell Mr J later that it would reinstate his plan and led him to understand this would mean he could buy shares with it – only to withdraw its offer a month later, and after Mr J had returned his savings to Computershare. So I've considered carefully whether Computershare was entitled to go back on the undertaking it gave Mr J about reinstating his right to buy shares.

Computershare says when it told Mr J the reinstatement would allow him to buy shares, this was an error on its part. I note the plan rules are clear that the right to buy shares ends as soon as employment ends due to resignation. Plans can continue to allow further savings in some circumstances, but not share purchase. So reinstatement of the plan for share purchase wasn't possible under the rules. I'm satisfied that Computershare had overlooked this point or not taken it into account when it told Mr J the reinstatement would allow him to buy the shares. So I think its offer to him was a mistake. I don't think it intended to offer Mr J an option the scheme didn't permit.

In saying this I've considered Mr J's point that Computershare agreed to rebuild his plan to make up for certain internal errors it had made. But I've not seen anything to persuade me there were errors Computershare made that were responsible for him missing out on buying the shares originally or for him requesting the early return of the funds from his maturing plan. In my view Computershare hadn't done anything wrong that would give it reason to seek to compensate Mr J by making arrangements outside those permitted by the scheme. I don't agree there were failings on its part that contributed to his loss of share-save benefits or that its offer to reinstate the plan was made in order to compensate for any such failings.

With all I've said above in mind, I've concluded it wouldn't be fair and reasonable to require Computershare to reinstate Mr J's plan and enable him to use the savings to buy shares – or to compensate him for the benefit he would've been able to get if this reinstatement had been permissible. In saying this my main reason is that the fact Mr J didn't buy shares with his maturing plan wasn't a result of a failing or error on Computershare's part.

It is plain that Mr J suffered distress and considerable disappointment due to missing out on the shares. But I've not found Computershare responsible for that loss. It follows that it wouldn't be fair for me to order Computershare to compensate Mr J for that disappointment or distress. But I do think Computershare added to that distress and disappointment by

wrongly telling Mr J it could reinstate his plan to buy shares - and taking a month to correct this. I think Computershare should compensate Mr J for that by paying him £200. I accept what Mr J says about this sum being far from the value of the benefit lost from his plan, but I emphasise that this sum is not to compensate Mr J for that loss.

I'd mention Computershare originally suggested Mr J's complaint didn't fall within our remit, but it later agreed our service could consider this matter. For avoidance of doubt Mr J's complaint is one I find I can consider, and it is on that basis that I make my award.

So I uphold Mr J's complaint in part but only to the extent I've described above.

### **Redress**

I uphold Mr J's complaint and order Computershare Investor Services Plc to pay him £200 for distress and disappointment its failings I've identified above caused him. It may deduct from this the £50 it has already paid Mr J for this if he has already received that sum.

Computershare Investor Services Plc should also pay Mr J simple interest at the gross rate of 8% per year on the savings Mr J returned to his plan in September 2022 from the date he returned those savings until the date Computershare Investor Services Plc receives from us notification that Mr J has accepted this decision.

I understand Mr J hasn't yet requested a return of the savings above, but if he has and they have been repaid, the interest above should run instead to the date the money was repaid to Mr J. If Computershare has already paid Mr J any interest of the kind outlined above for the period specified above, it may deduct that interest from the interest due to Mr J above. Tax may be payable on the interest awarded above.

### **My final decision**

I uphold Mr J's complaint in part and I order Computershare Investor Services Plc to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 August 2024.

Richard Sheridan  
**Ombudsman**