

The complaint

Mr D complains on behalf of his wife's (Mrs D's) estate about Equiniti Financial Services Limited, referred to as "Equiniti" or "the business".

In short, he says that the relevant form – "Form A" needed to transfer shares – was ambiguous and lacked clarity. He says he's spent time contacting the business trying to clarify what certain phrases meant.

To put things right, he'd like to be compensated for time wasted.

What happened

A brief background of events, according to the business, is as follows:

- 5 October 2022 – Mr D notified Equiniti that Mrs D had sadly passed away. She had held shares electronically in the Banco Santander Nominee Service (Corporate Sponsored Nominee Service) that he wanted to transfer to himself.
- 8 October 2022 – The business sent the notification of death letter to Mr D which explained the process to formally register the death and sale/transfer of the shares.
- 19 October 2022 – Form A and the Grant of Probate (GOP) was received by business.
- 25 October 2022 – The business confirmed that the death of Mrs D had been registered, but Form A had been rejected because it hadn't been completed properly.
- 02 November 2022 – Mr D called the business to explain his dissatisfaction at having to submit identity (ID) documents, he felt the GOP was sufficient. Despite being told what he needed to do, Mr D raised a complaint and refused to do anything further.
- 04 November 2022 – Mr D called to speak to a complaint handler and a call back was arranged.
- 07 November 2022: Form A was resubmitted. Mr D was called back, but there's no record of the call.
- 11 November 2022: Form A was again rejected as it wasn't completed correctly. Mr D called the business and left some comments for the new handler. He also said that he wasn't going to resubmit a new form.
- 16 November 2022: The business called Mr D to discuss his concerns and how to complete the form. Mr D reiterated that he wouldn't fill out any further paperwork. A call handler subsequently called Mr D to confirm that the transfer would be processed. A letter was subsequently sent confirming the share transfer.
- 24 November 2022: Final Response Letter (FRL) sent to Mr D.

One of our investigators considered the complaint but didn't think it should be upheld. In summary, he said:

- The information provided was clear, fair, and not misleading in line with the Conduct of Business Sourcebook (COBS) 4.2, as set out in the Financial Conduct Authority (FCA) handbook.
- Form A made clear what information was needed:

- For example, “step one” of the form required details of the shares to be transferred, including the shareholder reference – the form made clear where it can be found.
- Before moving to “step two” – providing details of the current owner of the shares - the form asked the applicant to read carefully before they continued.
 - Because Mr D was completing the form in the capacity of an “Executor” and/or “Legal Representative”, he was required to fill out “step two” and “step three” (which was overleaf) as required by the form.
 - The form also cautioned that *“ALL shareholders (and any Legal Representative MUST complete this form fully and correctly otherwise the instruction will be returned without being actioned”*.
- “Step two” required the applicant to “Fully” complete sections “A, B, C, D and E” with their details.
 - The first box required details of the existing or deceased shareholder. The remaining boxes asked for additional details – such as a signature, address, date of birth and NI number.
 - It also made clear that if the applicant didn’t have this information, they should place an “X” in the box.
 - Except for Mrs D’s signature (which he wouldn’t have) it was reasonably clear what information Mr D had to provide in relation to Mrs D.
- Mr D was required to complete “step three” which was also in relation to a shareholder who had passed – “ALL Executors/Administrators” were required to complete this section fully, otherwise *“instruction will be returned without being actioned”*.
- The section made clear that sections “A, B, C and D below” needed to be completed with Mr D’s details. It again provided the warning of what might happen if the form wasn’t dealt with properly, and that the form needs to be filled out correctly, in order to proceed. As before, if the applicant didn’t have the details, they were required to place an “X” in the box.
- “Step four” – in relation to the new owner details – required Mr D to provide his details. This part was in a similar format requiring the applicant to “Fully” complete sections “A, B, C, D and E” below with their details. If they didn’t have the information, the applicant was again required to place an “X” in the box.
- On 25 October 2022, the business couldn’t action the request because step four – in relation to Mr D’s identity – hadn’t been completed. The business was under a legal duty to verify his identity. This was as part of its obligations under anti-money laundering regulations and fraud prevention.
- On 11 November 2022, the business couldn’t proceed with the request because “Step 2a” and “Step 4a” hadn’t been completed correctly. In the circumstances, the business hasn’t done anything wrong.
- Even if there was an error, as representative of the estate, Mr D isn’t eligible to any compensation that might be payable.

Mr D disagreed with the investigator’s view and asked for an ombudsman’s decision. In short, he said that the investigator’s findings are too generous and favourable to the business. In other words, they failed to adequately represent the position of the customer and member of the public. He maintains the form was complex and ambiguous.

As no agreement has been reached, the matter has been passed to me for review.

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 agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr D says, I can't safely say that the business behaved unreasonably.

Before I explain further why this is the case, I think it's important for me to note I very much recognise Mr D's strength of feeling about this matter. He has provided submissions to support the complaint, which I've read and considered carefully. However, I hope he won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised under a separate subject heading, it's not what I'm required to do in order to reach a decision in this case. My role is to consider the evidence presented by Mr D and the business, and 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, but unlike a court or tribunal I'm not bound by this. It's for me to decide, based on the information I've been given, what's more likely than not to have happened.

I don't uphold this complaint, in brief, for the following reasons:

- I'm aware that the business has processes and procedures in place that it is obliged to follow in order to legitimately carry out instructions. It can't act on its own volition and certainly not without authority to do so.
- There's essential information that the business needs (from the applicant) – including details relating to the current/deceased shareholder, the executor/legal representative, and the new shareholder/owner - in order for it to successfully transfer the shares.
- So, in the process of transferring shares (from Mrs D to Mr D), I don't think the business has done anything wrong by refusing to accept an incorrectly filled out form, which is the applicant's duty to fill out correctly in any case.
- In other words, as part of its process, the business requires the applicant to fill out Form A and to do so correctly before it can legitimately process a request to transfer shares. I note the obligation is on Mr D to fill out the form as requested.
- I appreciate some of the information might overlap – for example if the executor is also the new shareholder – but this doesn't mean that parts of the form don't have to be filled out. There's nothing within the form that suggests that sections can be left blank or ignored for example.
- I'm satisfied that key parts of the form made clear that all boxes have to be "fully" filled out – with an "X" if the information isn't available – and if the correct information isn't provided the *"instruction will be returned without being actioned"*, so Mr D knew or ought reasonably to have known, that it was important for him to provide the correct information and what would happen if he didn't.
- I understand that Mr D was frustrated by Form A, but he could've sought help at the outset (before filing it in himself), but he didn't. It's arguable that this might've helped move things along and prevented Mr D from getting as frustrated as he was.

- Despite what Mr D says about the form, I'm mindful that Form A came with guidance notes which reasonably explained how the form needed to be filled in. I note the business said that it would learn from Mr D's feedback but this doesn't mean it did anything wrong in refusing to proceed with an incorrectly filled out request form.
- I note that on 25 October 2022, the business rejected the application on the basis that the form wasn't filled out correctly. In the circumstances, I can't say that the business behaved unreasonably. I note the original form was sent back because that's what happens in these instances.
- I note on 7 November 2022, Mr D resubmitted the form, but again did so incorrectly. I note on 11 November 2022, the business explained that it couldn't proceed with the request because "*Step 2a*" and "*Step 4a*" hadn't been completed correctly.
- I note the business says that if Mr D had sought help rather than re-submitting the form the matter could've been dealt with sooner and without incurring (additional) difficulties. On balance, I agree that Mr D could've sought clarification before submitting the form.
- I note from the call recording dated 16 November 2022 Mr D was assisted with the form clarifying what was required. I note the call handler was empathetic, understanding, and clear with Mr D, but he still refused to fill in the form and resubmit it with the necessary information. Despite that, I note he still wanted to proceed with the transfer and wanted a creative solution to his problem, including the form being changed and made simple – all without having to fill out and submit a new form.
- Despite what he said, I note he eventually provided his NI number orally over the phone and I suspect that may have helped move things along in terms of his transfer request.
- I note Mr D said it was only a few hundred pounds and not 'ten million pounds', but despite the amount the business still had to follow its process and procedure, which wasn't dependent on the value of the shares.
- I note the business referred to the national client identifier as the NI number which caused Mr D some confusion. But if that was the case, he ought reasonably to have asked the business at the outset what information it needed rather than assume it was to do with something else.
- I suspect the business called it the national client identifier because that's how the business identified the specific person, especially if there were multiple investors involved. I do agree this could've been clearer, however I don't think this warrants any compensation as I'm satisfied that aside from Mr D refusing to fill out the form again and provide the necessary information the business was on hand to assist and can't be blamed for him filling out the form incorrectly despite what he says about his education, age and experience.
- I'm aware that the business needed this information, as part of its wider anti-money laundering obligations and for identification. I understand that the issue was eventually resolved, and probably through some creative means as requested by Mr D without him having to fill out the form again.
- I also note the business says that section 14 of the Terms and Conditions made clear that it could request information and that the shares will remain in the original shareholder's name, until the correct forms/information is received. So, Mr D ought reasonably to have known what was likely to happen until the Form A issue was resolved.
- I'm aware that once the relevant issues were dealt with, the business processed the request swiftly and the shares were transferred to Mr D as requested.
- The above notwithstanding, I make clear that as the representative of the estate of Mrs D, Mr D isn't entitled to any compensation for any distress and inconvenience in any event.

I appreciate that Mr D will be thoroughly unhappy that I've reached the same conclusion as the investigator. Furthermore, I realise my decision isn't what he wants to hear. Whilst I appreciate his frustration, I'm not persuaded that the business did anything wrong.

In other words, on the face of the available evidence, and on balance, I'm unable to uphold this complaint and give him what he wants.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs D to accept or reject my decision before 24 October 2023.

Dara Islam
Ombudsman