

The complaint

Mrs W complains about Computershare Investor Services Plc, referred to as “Computershare” or “the business”.

In short, she’s unhappy about the exchange rate used to change her money from Euros (EUR) to Canadian Dollars (CAD). As a consequence, she says she lost around CAD 5,000 and would like that money back.

What happened

Mrs W held Shell Plc Ordinary Shares (AMS), as part of her employee sharesave scheme. Her Share Plan Account is and was managed by Computershare.

On 28 October 2022, she instructed Computershare to sell her shares which were held in EUR. Her instructions were executed on 31 October 2022 and settle on 2 November 2022. Computershare converted the sale proceeds into CAD the same day and paid out the proceeds to Mrs W’s Canadian bank account.

Mrs W is unhappy that Computershare used an FX rate that was different to the one that she’d seen when she placed the sale instruction.

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

- Section 16.3 of the terms and conditions – which Mrs W would’ve agreed to at the outset – makes clear that in the event of an investor asking to be paid out in a currency that’s different to the Share Plan currency, it would instruct one of its chosen banks to deal with the matter:
 - *“...on your behalf, to convert your money into your chosen currency and pay the converted funds to you. The bank will be instructed to pay the funds to the bank account details which we have for you on our records.”*
- Section 16.7 further explains that it’s not liable for any exchange rates:
 - *“The bank will apply its Currency Exchange Rate for the conversion of your money. You may not specify the currency exchange rate or the minimum exchange rate that will be applied to your currency conversion. Foreign currency exchange rates may change after you send your instruction to us and your converted funds may be less than you expected due to exchange rate fluctuations. We are not liable to you for any changes in exchange rates where we have carried out your instructions with reasonable care and skill.”*
- Computershare also made clear that this information was made available online – evidenced by screenshots. The warning made clear the following:
 - *“Exchange rates and share prices rise and fall and may be different at the point your trade is executed.”*
- Although Mrs W saw an FX rate of 1.351817 on the screen when she placed her instructions – and felt that’s what she’d get – there’s no evidence that she was guaranteed to get this amount. Therefore, it can’t be said that the business misled her. The terms and conditions already made clear that Computershare had no control

over the price she'd receive.

- If Mrs W was unhappy with this, she had the option to transfer her shares to another broker, or alternatively she had the option to add a different bank account to pay the funds into.
- Mrs W wasn't forced to accept the terms if she was unhappy with them.
- She placed her instructions at 4:14pm (GMT) on a Friday which was late in the day nearing the closing time for the AMS, so she can see why the order was placed the next day – this isn't an unusual practice.
- Computershare explained that the shares had a settlement period of T+2 days, so the trade would've settled on 2 November which is when the funds were converted to CAD by the bank. As the funds were converted the same day, there was no delay.
- From the graph provided, its clear average rate on the day was 1.34608, and it used a wholesale rate of 1.34769, to calculate the amount Mrs W would receive – which was higher than the average amount, as well as higher than the mid-market rate which – from her own research – was 1.34537. So, the rate used was a fair reflection of the kind of rates used.
- An amount of 250bps was deducted. However, this deduction – which in effect represented a fee for using the service – wasn't unfair because it was explained in the terms and conditions.
- The terms and conditions made clear the following:
 - *“(a) Subject to clauses 6(b) and 6(c) below, for each Currency conversion executed as a result of your instruction you will be charged:*

- *fixed fee as specified on the Website prior to submission of your Online Instruction (“the Fixed Fee”); AND*
 - *a Spread calculated based on the average value of the Residual Monies as follows:*

- (i) where the aggregate value of the Residual Monies is between £0 and £99,999.99 the Wholesale Rate will be reduced by a Spread of 250 basis points”*

Mrs W didn't agree with the investigator's view. In short, she made the following observations:

- If Computershare wasn't licensed to trade FX, then the service agreement with her is invalid.
- The investigator assumed that the contract was legal, and in the same way also assumed that Computershare was right.
- The order was placed on 28 October and Computershare executed it on 30 October, and the investigator doesn't seem to think there was a delay. One day delay is unusual.
- The information on screen regarding rates, versus what happened, doesn't seem to have been considered. In general terms, given the difference in rates, she should've been called again to confirm whether or not she wished to go ahead.
- If FX wasn't related to Computershare's actions – and it was the bank that carried out the transaction – then there should be no deduction such as the 250bps. In other words, no service, no deduction.
- She wants to know if the fixed fee is 0.975. She's not satisfied by the investigator's comments regarding this point and has proposed her own analysis and calculations.
- She was reluctant to exchange details. The investigator might be Computershare's “inside man”.
- If her complaint isn't resolved properly, she reserves the right to pursue a lawsuit.

The investigator having considered the additional points wasn't persuaded to change her mind. In summary, she said:

- The industry regulator, the Financial Conduct Authority (FCA), would ensure that Computershare had the relevant permissions to facilitate this transaction.
- Computershare used a third-party provider – the bank – to carry out the currency exchange. Computershare didn't convert the fund themselves. It didn't do anything that it wasn't allowed to do – there's nothing illegal about the process.
- The 250bps is for facilitating the currency exchange.

Prompted by the investigator, the business provided the following information regarding the calculations:

“As per the terms and conditions for this participant, the bank applies a 250bps (i.e. 2.50%) spread to the FX rate.

• In order to reduce X by 2.50%, you are essentially saying that you want 97.50% (100% minus 2.50%) of X.

• In order to get 97.50% of X, you multiply X by 97.50%

• In numerical terms, this means multiplying X by 0.975.

I trust this clarifies the information that you are requesting.”

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 Mrs W says, I'm not persuaded that the business behaved unreasonably.

Before I explain why this is the case, I think it's important for me to recognise the strength of feeling Mrs W has about this matter. She has provided submissions to support the complaint, which I've read and considered carefully. However, I hope she 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, or undertake a forensic analysis of the evidence, it's not what I'm required to do in order to reach a decision in this case. I appreciate this can be frustrating, but it doesn't mean I'm not considering the pertinent points in this case.

My role is to consider the evidence presented by Mrs W and Computershare, and reach what I think is an independent, fair, and reasonable decision based on the facts of the case – I'm not here to take sides.

In deciding what's fair and reasonable, I must consider the relevant law, regulation, and best industry practice, but perhaps 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 reject this complaint, in brief, for the following reasons:

- The relevant terms and conditions made clear what would happen if Mrs W requested to be paid a different currency to the one used by the Share Plan, and why Computershare wasn't responsible for the exchange rates.
- Mrs W is likely to have agreed to these terms and conditions before going ahead with the business and therefore is bound by them. If she didn't read through the key terms and conditions or had concerns but didn't pursue these with the business, it's not something I can blame the business for.
- Computershare made clear that it would instruct one of its banks to make the payment in the different currency. So, if the bank did something wrong – I'm not suggesting that it has – I can't blame Computershare for this, as it isn't responsible for the actions of a third-party banking service. Besides, the business made clear the risk that the exchange rates and share prices rise and fall might be different at the point her trade is executed. Despite the rate seen by Mrs W, Computershare gave no guarantee as to what rate she'd get.
- Given the timing of the instructions, and when the order was placed, I can't say that the business has caused any delays. I note the business also made clear when the trade was likely to settle.
- Whilst I appreciate Mrs W thinks it's unfair that she wasn't told a specific rate that would be used, I don't think it was within Computershare's power to provide this therefore it hasn't done anything wrong by not doing so. In other words, the business has no control over the rate.
- I understand she wanted the business to contact her before converting the currency and paying into her Canadian bank account, but in the circumstances, I don't think the business was obliged to. Therefore, it hasn't done anything wrong by not doing so.
- A business is, in the reasonable exercise of its legitimate commercial judgement, entitled to decide how it runs its affairs. It's not something that our service would get involved in. In other words, it's not for us to tell a business how to run its affairs. Therefore, I can't say that the business has done anything wrong by not contacting Mrs W before converting EUR into CAD, because it wasn't obliged to.
- Despite what Mrs W says, I can't see that Computershare did anything wrong with regards to FX – I've seen no evidence that it was trading, therefore I can't say that it needed a license or did anything wrong by not doing so.
- Despite what Mrs W says, I can't say that the 250bps deduction was unfair. The business has provided a calculation – I can't say that there's anything wrong with that.
- I appreciate Mrs W says that if the complaint wasn't resolved satisfactorily, she reserved the right to pursue legal action. That is a matter for her, but she may wish to obtain legal advice before pursuing any particular course of action.
- I note Mrs W's comments about our investigator being Computershare's "inside man" but I've seen no evidence that she's exhibited any kind of bias towards the business.

I appreciate Mrs W will be thoroughly unhappy I've reached the same conclusion as the investigator, and I realise my decision isn't what she wants to hear.

I note she believes she's due at least CAD 5,000, but I don't agree. Whilst I appreciate her deep frustration and anguish, I'm not going to ask the business to do anything.

On the face of the available evidence, and on balance, despite what Mrs W says, I'm unable to give her what she 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 Mrs W to accept or reject my decision before 30 August 2023.

Dara Islam
Ombudsman