

## **The complaint**

Mr S says Hargreaves Lansdown Asset Management Limited ('HL') is responsible for the delayed transfers of his Self-Invested Personal Pension ('SIPP') and his Fund and Share Account ('FSA') to AJ Bell in 2020. He says the transfers were prompted by HL's arbitrary and unilateral closure of both accounts and that its delays caused him trouble and inconvenience in addition to a financial loss arising from being unable to trade in the accounts because they were frozen during the delayed transfers (and arising from specific lost trading/investment opportunities in this respect).

HL says it caused no delay to the transfer of the SIPP, but it is responsible for a 10 days delay in the transfer of the FSA, for which it apologised to Mr S and credited his account with £150 (as compensation for the trouble and inconvenience caused). It also says the accounts were transferred in specie (other than specific liquidations Mr S instructed during the process) so there was no investment/financial loss caused by the delay and that whilst he could not trade online he retained access to do so over the telephone (which is how he instructed the liquidations).

## **What happened**

One of our investigators looked into the complaint and concluded that it should not be upheld. She broadly agreed with HL's position in the matter and she did not consider that it should have to do any more than it had done. She found that it completed the SIPP transfer, within its six weeks timescale (starting from when it received the transfer acceptance documentation); that it relied on third parties to complete the re-registration of the SIPP's assets and that was not uncommon; that it has acknowledged and compensated for its delay in the FSA transfer; and that Mr S could have traded in the accounts over the telephone (and was told so in a letter he was sent at the time) so HL is not responsible for any perceived financial loss he claims.

Mr S disagreed with this outcome. He sought and obtained a copy of the letter that the investigator referred to, in terms of notice that he could trade over the telephone. He argued that it is unreliable because it is a generic template letter, because it says telephone dealing "may" have been possible (not that it was possible for him) and because it was implicit within HL's closure of his accounts that he could not transact in them (other than liquidating holdings or transferring them elsewhere). He also noted that HL and AJ Bell presented conflicting sequences of events in the transfer process, so he does not know which version should be believed. Mr S also suggested pursuit of a separate complaint against AJ Bell.

The matter was referred to an ombudsman.

## **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.

Mr S' complaint submissions to this service include reference to the way his HL accounts were closed. It appears that he was and remains unhappy about this. However, it does not

appear that his complaint is about this aspect – he has not said it is – and evidence is that the closure of the accounts and the process applied for that were done in line with HL’s contractual entitlement to close the account in the way it did and in line with the process it was required to follow. As such, I do not address this point any further.

The complaint is about HL’s responsibilities in the transfer process, not AJ Bell’s, and my task is to determine it based on the balance of available evidence. I consider there is enough evidence to do this. I note Mr S’ reference to a conflicting account (of the sequence of events) from AJ Bell but, overall, on balance and in the absence of reasons to conclude otherwise, I am persuaded that HL’s evidence of its role in the transfer process is reliable. HL’s evidence provides as follows:

- With regards to the SIPP transfer, it received AJ Bell’s completed discharge forms on 5 March; by 9 March this had been processed and a valuation of the SIPP was released to AJ Bell; on the same date it requested AJ Bell’s transfer bank details and Mr S’ personal discharge form; it received the latter on 31 March and the former on 6 April; processing of his discharge form had to be suspended pending completion of a class conversion he requested on 6/7 April for a fund in the SIPP; that was completed on 16 April; on 20 April his discharge form was processed and an updated SIPP valuation was released to AJ Bell; AJ Bell’s acceptance of the transfer was received on 23 April and was processed by 11 May; most of the SIPP’s funds were transferred on 26 May and the last was transferred by 8 July.
- With regards to the FSA, it received two information requests from AJ Bell – on 18 March and 30 April – before processing the request on 1 May and responding with a valuation release to AJ Bell on 13 May; it received a third request on 1 June and by 23 June it had updated, checked and released the account valuation to AJ Bell; AJ Bell did not respond to the valuation release; a fund conversion happened on 24 June and in July a fourth information request was received and responded to with another account valuation; on 28 July AJ Bell’s acceptance was received; this was processed by 5 August and by 10 August two funds in the account were transferred; the transfer of cash on 16 September completed the process.

On balance, and based on the above, HL’s handling of the SIPP transfer was not unreasonable. However, it appears to have caused a delay (within the period starting 18 March and ending 1 May) at the outset of the FSA transfer by not processing AJ Bell’s initial information request(s) in time.

In the SIPP transfer process HL does not appear to have been unduly inactive and it does not appear to have reacted to developments unreasonably late. Its role in the process was dependent on other parties (including AJ Bell, the respective funds/fund managers and even Mr S), but where its action was required it conducted itself reasonably. I do not consider it fair to hold it responsible for time consumed, or delays caused, by any third party in the overall process and I have not seen evidence that it was unduly late to chase any such party or that it was required to do so.

The SIPP had to be transferred because of the account closure and HL conducted its role in the transfer process reasonably, so I do not uphold this aspect of the complaint. It follows from this that I also do not find that HL caused Mr S any trouble, inconvenience and/or financial loss in this aspect.

After the delay initially caused by HL in the FSA transfer, additional delays appear to have been caused by the third and, perhaps, the fourth information requests from AJ Bell – and the absence of its acceptance upon the valuation that was released to it after the third

request. I do not have enough information about AJ Bell's conduct in this so I do not have a basis to conclude that it did any wrong in this respect – and I draw no such conclusion. However, if Mr S considers there was an undue delay between 13 May (when the first valuation was released) and 28 July (when AJ Bell eventually confirmed its acceptance), there is enough evidence to say the delay does not appear to have been HL's responsibility. I have considered whether (or not) it should have chased AJ Bell for the acceptance after 13 May or after 23 June (when the second valuation was released) but, on balance, I consider that the third information request it received on 1 June diluted or negated need for a chaser after the first date and the same (that is, receipt of the fourth request) appears to have happened shortly after the second date.

Overall and on balance, I am persuaded that HL's fault in the delayed FSA transfer is limited to the period at the outset of the process that it has conceded responsibility for. In this context, I am satisfied that the £150 it paid Mr S for trouble and inconvenience is fair and reasonable, and that HL should not have to pay any more. Given that it contributed to the delay in this transfer, there is potential for it to have a partial responsibility for any financial loss resulting directly from the delay. The FSA was, in the main, transferred in specie, so for the funds transferred as they were there was no investment loss arising from being taken out of the market – because they were not taken out of the market. The liquidations instructed by Mr S were his choice, so no claim can reasonably be made for loss in this respect.

I understand the somewhat fine point that Mr S makes about lost investment opportunity. It does not seem to be in dispute that he could liquidate funds over the telephone during the transfer – in his submissions to us he appears to have referred to the same liquidations (that he made in this manner) that HL also highlighted to us. His argument, based on a specific example he has given, is that he lost a *reinvestment* opportunity because he could not conduct such reinvestment during the transfer process. Two main obstacles face this argument. I have not seen evidence of a pre-transfer plan on his part to make the liquidation(s) and reinvestment(s) that he claims, so I do not have enough to conclude that such a plan existed prior to the transfer – if this is part of his claim. Irrespective of when the plan arose, I also do not have evidence that he ever approached HL with an attempt/instruction to reinvest during the transfer process (and/or with notice to HL that he had such a plan which he wished to fulfil at the time).

On balance, I do not consider that the facts support Mr S' suggestion that a bar against reinvestment was implicit. Mr S was told he could not trade in the accounts because of the closures, but he knew he could instruct liquidations over the telephone because he successfully did that after the closures and during the transfer process. There is also evidence that HL conducted a fund class conversion for him during the transfer. If he sought to do more – to reinvest – it is reasonable to expect that he would have at least submitted such an instruction or a related query to HL. In the absence of either of these and, if relevant, in the absence of a pre-transfer plan to reinvest, his claim for financial loss from a lost investment opportunity caused (or partly caused) by HL lacks requisite substance/evidence. Overall, on balance and for the above reasons, I am not persuaded to uphold the claim.

### **My final decision**

For the reasons given above, I do not uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 June 2022.

Roy Kuku

**Ombudsman**