

The complaint

Mr K complains that he was given misleading information by Hargreaves Lansdown Asset Management Limited regarding shares he held.

He says that based on that information he decided not to sell shares and has consequently suffered a financial loss. To put things right, Mr K would like compensation for losses claimed.

What happened

Mr K said that he called the business on 3 March 2021 and was told/led to believe that he'd receive cash/shares due to the forthcoming action where Harbour Energy was taking over the Premier Oil stock he held. The call handler also confirmed that the share was trading, but it was worth checking with Premier Oil to confirm the position. There was some confusion about whether or not the shares were/would be suspended.

Mr K hadn't received any information directly from the business about this, so asked it to send him the relevant correspondence which it agreed to do.

Mr K called the business back on 4 March 2021, as he hadn't received an email and/or attachment, as promised. The call handler on that occasion suggest that he had, but probably couldn't find the document because he was searching on the mobile app at the time.

The call recording shows that Mr K was initially told that if he did nothing, he'd receive a mixture of cash and shares to the value of his Premier Oil share following the takeover. When he asked about the shares, and whether he could buy more, the handler said she'd check with the corporate actions team. She then confirmed that Mr K appeared to be holding Premier Oil ordinary shares, and that the option to buy more was in relation to a slightly different corporate action – so there wouldn't be an option to buy anymore, and it looked like misinformation had been sent.

I note that to save Mr K from holding on, the agent offered a call back, but this didn't happen. Mr K said the value of his shares were £37,000 and he wanted to know if on 29 March 2021 when Harbour Energy 'come in', if he'd receive the value of his shares, plus some shares.

The template letter (sent in by Mr K) headed '*Your Premier Oil 6.5% 2021 Notes*' states: '*If you do nothing you'll receive a mixture of cash and Harbour Energy shares in place of your 6.5% 2021 Notes*'.

Based on this information, Mr K says he took no action, and as consequence he's lost out financially because the share price of his stock has fallen.

The business accepts that it sent Mr K the wrong information, however it doesn't accept that it is responsible for any losses claimed. It maintains that responsibility to act was always with Mr K. However, it apologised for its error and offered Mr K £100 compensation for any distress and inconvenience caused.

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

- Mr K was operating an execution only account with the business, he was responsible for his own decision and that of any rights issues. The business didn't provide any advice, it merely carried out his instructions.
- Under section A18 of the terms and conditions, the business made clear the following:
 - *"It is your responsibility to identify any upcoming Corporate Actions before purchasing an investment as we will not provide you with any notification at the time you place your purchase. For Funds and ETFs you should refer to the relevant prospectus. For listed securities you should refer to any relevant announcements"*
- It appears Mr K decided to retain his shares in question because he thought he was going to receive additional cash and/or shares. But the investigator couldn't say that he's suffered a loss by not selling his shares, because any profit or loss would only be realised upon sale, and Mr K still holds his shares.
- Ultimately, the onus was on Mr K to make sure that he was 'eligible' for the options relating to the shares. In this instance he ought reasonably to have been aware that he wasn't eligible for the cash and/or shares relating to the 6.5% 2021 Notes stock.
- In the circumstances, the business should pay Mr K £200 compensation for the distress and inconvenience caused by sending him information that related to a different stock.

The business accepted the investigator's view and is willing to increase its award to £200.

Mr K disagreed with the investigator's view and asked for an ombudsman's decision. In summary, he said he was losing 'thousands and thousands' of pounds as a result of the business misleading him. So, he doesn't understand why the investigator has asked for £200. He questions what that can do against £20k worth of losses? Mr K would've taken the business to court if it wasn't so expensive.

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 going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr K says, I'm unable to safely say that he is entitled to any losses/potential losses claimed – in other words, I don't think the business is responsible for any losses claimed.

However, on balance I think £200 compensation recommended by the investigator for the error is broadly fair and reasonable in the circumstances.

Before I explain why this is the case, I think it's important for me to note I very much recognise Mr K'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 Mr K 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. My role is to consider the evidence presented by Mr K, 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 it's for me to decide, based on the available information I've been given, what's more likely than not to have happened.

There's no dispute that Mr K was sent information that didn't relate to his specific stock. Notwithstanding the business' error, I think he was mistaken as to the nature of that document and what it related to. Clearly it related to a different stock to the one held by him, albeit with a similar name – but I don't think Mr K quite grasped that aspect, which is probably why he took no action.

It's possible that in the call dated 3 March 2021 Mr K was led to believe that he'd be entitled to some shares and/or cash, but I note that no guarantees were given, and the handler wasn't too sure about what was happening.

I note Mr K asked for some correspondence, presumably to look into matters himself and make up his own mind. It's at this stage, Mr K was sent the document headed '*Your Premier Oil 6.5% 2021 Notes*'

But given the nature of the documentation, notwithstanding his earlier conversation with the business, I think Mr K ought reasonably to have known that the information received wasn't in relation to his own stock. If there was any confusion, he ought reasonably to have sought clarification at this stage, because the information didn't relate to his stock.

In any case, I'm aware that this is an execution only service, and that it was ultimately up to Mr K to decide what to do and what action was suitable for him – that was broadly the basis upon which the initial call was ended. In other words, Mr K would look through the documentation and decide what to do.

In the circumstances I'm satisfied that it was the business' role to simply carry out his instructions and not to advise. In other words, notwithstanding the business's error, it was still Mr K's responsibility – having conducted his own due diligence and research – to confirm whether or not he was eligible for the options relating to his specific shares.

Based on what I've seen, I can't say that the information of itself was inaccurate or false, it just didn't relate to Mr K's investment. I'm mindful that the documentation provided made clear that the information was in relation to Premier Oil 6.5% 2021 Notes, which was correct and accurate – not Premier Oil Ordinary shares, which Mr K held and was a different stock.

In the circumstances, and on balance, I can't safely say that Mr K is eligible for the cash and/or shares relating to the 6.5% 2021 Notes stock – this isn't something that he's entitled to.

In the circumstances, and on balance, it wouldn't be fair or reasonable to ask the business to compensate him for losses claimed. The £200 compensation recommended by the investigator is broadly fair and reasonable. In my opinion it broadly reflects the distress and inconvenience suffered by Mr K.

I appreciate Mr K will be thoroughly unhappy that I've reached the same conclusion as the investigator. On the face of the available evidence, and on balance, I'm unable to give him what he wants.

Putting things right

Hargreaves Lansdown Asset Management Limited should pay Mr K £200 compensation if it hasn't done so already.

My final decision

For the reasons set out above, I uphold this complaint.

Hargreaves Lansdown Asset Management Limited should pay Mr K compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 November 2022.

Dara Islam
Ombudsman