

The complaint

Miss N complains that Hargreaves Lansdown Asset Management Limited (“HLAM”) caused delays in transferring her shares to a new provider. She says she had to pay its commission and foreign exchange fees until the shares were transferred. And that she missed the opportunity to trade for around three weeks when prices were volatile.

What happened

On 30 April 2020 Miss N gave instructions to transfer her shares to a new provider, who I’ll refer to as “F”. The shares weren’t transferred until the end of August 2020. And one shareholding, which I’ll refer to as “B”, wasn’t transferred until 23 September 2020. Miss N says she decided to transfer her shares because she didn’t want to pay HLAM’s foreign exchange fees. So she wants it to refund these fees, plus its commission charges, for the trades she transacted during the period 30 April 2020 to 6 July 2020 inclusive – a total of £1,563.11.

She says that, once the transfer had started, she wasn’t able to trade. She is particularly concerned about the period from 19 August to 9 September 2020 when the market was volatile, and prices dropped.

HLAM apologised that there had been a delay in acting on Miss N’s transfer instructions. It paid her £150 for the inconvenience caused. It didn’t agree to refund its foreign exchange and commission charges as it said these had been charged in line with the agreed terms and conditions. And it said Miss N was still able to deal during the transfer process by using its telephone dealing service.

Our investigator agreed that Miss N was still able to trade and that HLAM wasn’t responsible for any investment loss. But she thought HLAM should pay Miss N an additional £100 compensation for the further delays and overall service she’d received.

HLAM said the further delay in transferring B shares wasn’t its responsibility. It said the delay was due to issues caused by F, and the additional complexity of completing an overseas transfer. It would have agreed to pay an additional £50 compensation.

Miss N said, in summary, that:

- It wasn’t practical for her to place dealing instructions by phone due to waiting times, the number of trades she would typically place in a day, and rapid price movements. She also said she couldn’t trade at times when the US and French markets were open, but when HLAM was closed.
- £100 compensation isn’t enough to compensate her for the 1% foreign exchange fee and the commission charges.

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 have come to the same conclusion as our investigator for the following reasons:

HLAM received Miss N's transfer instructions on 30 April 2020. It didn't act on those instructions until 16 June 2020. I find this was an unreasonable delay. HLAM has apologised to Miss N and paid her £150 compensation. Miss N continued to trade online during this period. She remained subject to HLAM's terms and conditions whilst her stocks remained with it. I appreciate she says her main reason for transferring to a new provider was to avoid the foreign exchange charges. But I don't find this means HLAM is obliged to refund its charges during this period.

Miss N was still able to trade during the transfer process. I appreciate the drawbacks of a telephone dealing service over the online service she was used to using, particularly taking into account the nature of Miss N's typical trading. But I'm satisfied that HLAM continued to provide trading facilities for Miss N during this period, and she chose not to use them. Miss N says she is particularly concerned about the approximate three-week period from 19 August 2020 when markets were volatile, and prices fell. But she hasn't specified what trades she would have placed during this period if she could have traded online; and what financial loss, if any, she thinks she's made. Even if she thought she had made a financial loss, I wouldn't find HLAM was liable for it because I'm not persuaded that she did anything to mitigate that loss, for example, by trying to give dealing instructions by phone.

HLAM says its dealing phone lines remain open until the US market closes. So I don't find Miss N was prevented from trading her US shares. And whilst she points out that HLAM isn't open on US and French bank holidays, she hasn't told us about any trades she wanted to place on such days. So I don't find she's made a loss for which HLAM is responsible.

Miss N says there was a period of nearly two weeks when her shares had been transferred out of her HLAM account, but hadn't appeared in her account with F. I haven't seen anything to show that this was due to something HLAM did or didn't do. I'm satisfied that it followed the correct process in transferring out the shares.

Miss N's shares in B weren't transferred until 23 September 2020. I'm satisfied from what HLAM has told us that this was mainly due to technical difficulties at F's end of the process. And that HLAM did its best to help F resolve the issues and complete the transfer. Miss N says the shares weren't showing in her account with F until March 2021, but I don't find this further delay – after HLAM had successfully transferred the shares – was HLAM's responsibility.

For the reasons I've explained, I think HLAM was responsible for the delay in acting on the transfer instructions – which it received on 30 April but didn't action until 16 June. I think a compensation payment recognising the distress and inconvenience caused by its delay is appropriate. It paid Miss N £150. It anticipated the transfer process could take six weeks, but longer depending on F's efficiency. Bearing in mind more than seven weeks had already passed since HLAM received Miss N's instructions, I think it should have done more to ensure the transfers were given some urgency. Whilst I appreciate much of the delay in transferring B shares was out of HLAM's control, I'm not persuaded that it couldn't have done more to expediate the transfer of the other shares. Our investigator recommended HLAM pays an additional £100 compensation for the delays caused after 16 June. I agree this is fair and reasonable.

My final decision

My final decision is that Hargreaves Lansdown Asset Management Limited should pay Miss N £100 (in addition to the £150 it has already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 25 April 2022.

Elizabeth Dawes
Ombudsman