

The complaint

Ms P complains about the service received by Hargreaves Lansdown Asset Management Limited ("HLAM").

What happened

Ms P has made a complaint about the time taken by HLAM to transfer out three shareholdings to a third party. One holding was from Ms P's share account and the other two were from her stocks and shares ISA. Ms P says she wanted to make the transfer as the three holdings were untradable in her HLAM account online and were showing as being greyed out on the platform. She believes it was practically impossible to speak to anyone from HLAM on the phone to discuss selling the three holdings so because of this she looked for and found an alternative platform with the third party.

Ms P requested the three holdings be transferred by HLAM to the third party on 5 November 2020. Ms P says she saw on HLAM's website that the transfer process for moving stock to an alternative provider would take between two and four weeks.

Ms P says that on 8 February 2021 the three holdings were showing on Ms P's account that she held with the third party. She says it took HLAM three months to respond to her request and initiate the process. Ms P says there was then some difficulties in this time where the shares were showing in one platform and not the other. But the transfer of all three holdings was not resolved until March 2021 for the shareholding in her share account and September 2021 for the two held in her ISA.

Ms P says HLAM offered her £150 compensation for distress and inconvenience and then paid this amount directly to her account without her acceptance. She says it apologised for the delay in transferring the shares but said she could have sold any of the three holdings during the transfer by phoning them and arranging to do so. Ms P says that was not her experience and repeats that this was impossible to do.

Ms P says she would like to be compensated for not being able to trade in the three shares on the new platform that she wanted to transfer them too. She says the shares should have been transferred over by mid-December 2020 at the latest and if HLAM had done so, she would have been able to sell the shares to her advantage. She says she would have sold the shares when the prices for them had reached their peak after they had been transferred.

An investigator from our service looked at Ms P's complaint. He sent his view to both parties and partially upheld it. He made the following findings:

- That HLAM caused a long delay in transferring the three holdings to a third party.
- That two of the three holdings could have been sold if Ms P had contacted HLAM on the phone. He acknowledged that Ms P had a difficult time contacting HLAM on the phone but said he found no evidence that it was impossible to contact it using this method.

- He concluded for one of the holdings, HLAM told Ms P that she couldn't sell it anymore through its platform. The investigator concluded the third party would have been able to sell this holding so felt compensation for any financial loss here should be applied.
- He said that he couldn't fairly conclude that Ms P would be able to sell this shareholding at the date that the price was at its highest. But he said he could see Ms P contacted both parties on 15 January 2021 to chase up the transfer and mentioned that the delay was losing them money as they were unable to sell. So the investigator said HLAM should calculate what the share price of the holding would have been on that date, and if it was higher than on the transfer date of 8 March 2021, then calculate what Ms P's losses would be and pay her this amount plus 8% interest simple during this period.
- That the distress and inconvenience payment be increased from £150 to £250 to reflect the period that it took HLAM to make the transfer and how this would have affected Ms P.

HLAM responded and agreed with the investigator's findings.

Ms P responded and disagreed. She reiterated that HLAM told her that none of the shares were tradeable with them. She said for this reason she had to transfer the shares to another platform. Ms P added that she is investing money to make money and knows exactly when she would have sold her shares. But she couldn't do this. She says HLAM prevented her from trading to her advantage. She doesn't agree that she could have sold two of the holdings on the phone with HLAM and repeats that it was impossible to do so. She also doesn't agree with the dates used by the investigator for the third holding and disputes both dates of 15 January 2021 and 8 March 2021 used.

As the parties are not in agreement, Ms P's complaint has been passed to me, an ombudsman, to look into.

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.

Ms P applied through a third party to transfer one of her stocks in a share dealing account held with HLAM and two stocks in her stocks and shares ISA. She did this on 5 November 2020. HLAM state on its website that it typically takes 4 weeks to transfer an ISA, although it caveats this by saying some can be complex and take longer.

I can see from reading the documentation provided by both parties that there was a long delay from HLAM receiving the request to transfer and then initiating it. HLAM sent Ms P an email on 8 February 2021 to say it had started the procedure of transferring the three stocks to the third party. It took HLAM three months to initiate Ms P's request. So already at this stage just to start the process, it had gone well over its own timeline for transfers set out on its website. HMRC guidance provided online states ISA transfers should take no longer than 15 working days for transfers between cash ISA's or 30 Calendar days for other types of transfer.

The stock held in Ms P's share dealing account was transferred on 8 March 2021 and then much later in September 2021 for the two ISA share holdings. So, based on its own guidance and also from HMRC, I don't think HLAM made the transfers within a reasonable time period.

HLAM has already apologised for the delays it has caused and I think it was right to do so, based on what both parties have said about how it handled this transfer request from Ms P. With that in mind, I now need to go on and consider what detriment the delay has caused Ms P.

Ms P thinks the process to transfer the shares should have been completed by mid-December and if HLAM had done this, she would have been able to sell the 3 shareholdings at an advantage when the shares were at their peak price. She says she couldn't do this as HLAM had told her she couldn't sell them. She has gone into detail about when the 3 shareholdings were at their highest price and says this is when she would have sold them if she had been able to with the third party.

HLAM says the transfer was completed 'in specie', as in the transfer would be completed with the stocks still being able to be sold. It says Ms P had not been out of the market and the option to trade was there and remained available for Ms P by telephone.

Ms P says on the other hand that HLAM told her she wouldn't be able to sell the shares. The shares were greyed out on the HLAM platform online. Ms P says that she called HLAM and got through to a representative, after she received the reply from HLAM about being able to sell shares with them on the phone. She says the advice she was given varied, but that it was clear that she couldn't sell the shares in her share account online or on the phone.

I have given this careful consideration. I can see that HLAM initially told her she couldn't sell the three stocks and then corrected this advice a day later and said she could trade two of the shares that she held in her ISA, on the phone. So as the transfer of these two stocks was carried out in specie, and it was possible for Ms P to call HLAM, then I don't think it is fair to say she couldn't sell her shares held within the ISA or that she would have been disadvantaged here.

Ms P says it was impossible for her to get through to HLAM on the phone. But after looking through the documentation provided, I think it's more likely than not that she could trade by phone. I am satisfied she knew this as by her own admission she had tried to call and whilst I understand that she had difficulty connecting, there's nothing to show that she wouldn't get through. HLAM have also said that these holdings could only have been traded on the phone and not online. On balance, I think Ms P was able to sell these two shareholdings at her choosing on the phone, as the transfer was taking place.

HLAM told Ms P in an email that it was unable to sell the third holding that she held in a share account though. I think Ms P has potentially suffered detriment here and so HLAM need to pay compensation, if any is due, for any financial losses she may have suffered by not being able to sell the shares.

Ms P says she would have sold these shares on 19 February 2021 when the price was at its highest, if she could have. She says she was investing to make money and would have picked the right time to sell the shares to her advantage. But I don't think it is fair and reasonable to make an assessment on the benefit of hindsight, and so I have focused on what Ms P said at the time.

I can see on 15 January 2021 that Ms P wrote to both HLAM and the third party to try and chase up the transfer. She said within her email to the third party that she is losing money by not being able to sell. So, on balance, I think if Ms P was able to sell this shareholding at that time, that she would more likely than not, would have done so. I think it is fair and reasonable to make that conclusion rather than say she would have done so on the 19 February 2021.

HLAM has confirmed that the transfer of this shareholding was settled on 8 March 2021. So I think HLAM should calculate how much the shareholding in the shares held in Ms P's share dealing account were worth on 15 January 2021 and then on 8 March 2021, when she could have sold them on the third party's platform. If the first amount is higher than the second, then the difference should be paid to Ms P. This is because I have concluded on balance, that she would have sold the shares on this date if she could have. HLAM should also pay 8% simple interest on any amount of compensation that it does pay to Ms P here, from 15 January 2021 to the date of settlement, as she has been denied use of that money.

Finally, as I have already mentioned, HLAM has agreed that it caused a delay when it received the instruction from Ms P and has apologised. It did this on 29 April 2021 when it responded to Ms P's complaint. In addition to this apology, HLAM offered Ms P £150 compensation for distress and inconvenience for the delay it took in transferring the holdings and has already paid this amount to her.

The investigator raised the payment overall to £250 in total. He says it took HLAM a long time to deal with Ms P's request. On balance, I am satisfied Ms P was put to the inconvenience of having to chase the transfer and I am persuaded the delay caused her distress over an extended period of time. I think HLAM should pay an additional £100 on top of the amount it already has paid her.

In conclusion, I uphold Ms P's complaint about HLAM, and it is now time for it to put things right.

Putting things right

For the reasons given above, in HLAM needs to:

- Pay Ms P an additional £100 in addition to the £150 it has already paid her for the distress and inconvenience caused by delays in it transferring the three holdings.
- For the shareholding Ms P could not sell during the transfer, calculate what it would have been worth on 15 January 2021. If this is a higher amount than what the shares were worth on 8 March 2021, it should pay Ms P the difference, plus 8% interest from 15 January 2021 to the date HLAM has provided Ms P with compensation.

My final decision

My decision is that I uphold Ms P's complaint about Hargreaves Lansdown Asset Management Limited and direct it to put things right, as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 12 September 2022.

Mark Richardson
Ombudsman