

The complaint

Mr M has complained about restrictions imposed by Hargreaves Lansdown Asset Management Limited (Hargreaves Lansdown) on his SIPP (self invested personal pension). Mr M is also unhappy with Hargreaves Lansdown's requirements to verify his address and which has meant he's been unable to transfer his SIPP to a new provider.

What happened

I issued a provisional decision on 6 September 2022. In the main, for the reasons I set out, I didn't uphold Mr M's complaint. I've repeated what I said about the background leading up to the complaint and my provisional findings. I've corrected some typing errors for which I apologise.

'Mr M is currently living abroad. He wants to switch his SIPP to a new (UK) provider. But he's been unable to provide the proof of address documentation that Hargreaves Lansdown requires before it will process the transfer.'

I've set out how Mr M came to be a client of Hargreaves Lansdown in 2015 and what's happened since. I may not have referred to every letter or communication but I've mentioned the key exchanges.

Mr M's SIPP, Drawdown Account and Fund & Share Account were transferred to Hargreaves Lansdown in 2015 as part of a bulk transfer from his previous provider who was withdrawing from that type of business.

Mr M signed an application form on 14 September 2015 to move his SIPP to Hargreaves Lansdown. The form showed his address – which was outside the UK. Mr M signed the declaration which referred to Hargreaves Lansdown's terms and conditions which, in using Hargreaves Lansdown's services, Mr M would be taken as having accepted and by which he'd be bound.

I've seen the terms and conditions which applied at the time. Condition A2 (General Information about [Hargreaves Lansdown's] Service) included the following:

'Although we offer the same level of service and treat all transactions the same, those dealing with us from outside of the EEA [European Economic Area] or another member state are NOT afforded the UK legislative protections and should check their own state's legislation and tax laws before undertaking a transaction with us.'

Condition A5 (Applications) included the following:

'We may approach a credit reference agency to confirm your identity ... and by dealing with us you confirm that you consent to this. We may also need to seek additional information to verify your address, in which case we may (i) delay your application; (ii) return your application form and/or (iii) withhold settlement of any trade you have placed until we have successfully verified your identity.'

Condition A6 (Communications with you) said:

'You must provide us with your permanent residential address to which we shall send all postal correspondence. If you change your postal or email address in the future, please tell us immediately. You accept that it is our responsibility to ensure that the postal address and the email address we hold for you are active and up to date.'

Condition A7 (Changes to the Terms) said that Hargreaves Lansdown could change the terms by giving reasonable notice of the change which would be notified by post or email. The terms would only be changed for certain reasons as set out. These included to reflect current or future changes in the law, FCA (Financial Conduct Authority) rules or regulations, to meet regulatory requirements, industry guidance or best practice and to reflect the way Hargreaves Lansdown's services were used.

Condition A2 (general information about Hargreaves Lansdown's service) didn't include any reference to a client residing in the UK or EEA in order to open an account. But, as I've said below, revised terms and conditions later introduced did. And the key features document which Hargreaves Lansdown has produced and which it says was in use in 2015 said that applicants must live in the UK – it included a section headed, 'Am I eligible?' which said: 'Most people are. To contribute and claim tax relief, you should be under 75 and a relevant UK individual. You must live in the UK or EEA when you start the SIPP.' How someone qualified as a relevant UK individual was also set out.

It appears there was some discussion about the service Hargreaves Lansdown could offer Mr M, given he wasn't a UK resident. Hargreaves Lansdown's then Chief Executive Officer (CEO) wrote to Mr M on 23 December 2015. He said Mr M's temporary visa status had been interpreted by Hargreaves Lansdown as having the same implications as permanent residency, which was a mistake. If Mr M became permanently non resident, then, although he'd be able to retain his existing investments with Hargreaves Lansdown, he'd be unable to make future contributions. The CEO said that Mr M had been deemed a temporary resident of the country in which he was living, on the basis he had a one year residency visa. Mr M's application to open the SIPP was accepted.

Hargreaves Lansdown wrote to Mr M on 15 January 2016 about the transfer of his SIPP. The letter referred to UK anti money laundering (AML) regulations which meant that clients' names and addresses had to be verified when accepting business. To avoid unnecessary trouble to clients with a request for paper documents, Hargreaves Lansdown would attempt to verify clients' details electronically via an external credit reference agency. But, as Mr M lived abroad, that wasn't possible.

Mr M was asked to provide original or certified copies of two documents – two from 'List A' or one from that list and one from 'List B'. List A includes driving licence, passport and national identity card. List B includes utility bills or current bank statements, both less than three months old. And the documents have to be certified. That can be by an embassy, consulate, or high commission for the country of issue or by certain professionals as listed. I'm not sure if Mr M was able to comply with Hargreaves Lansdown's requirements at the time.

But, in any event, there was a problem in 2017. On 24 October 2017 Mr M notified Hargreaves Lansdown of his new address in a different country. Mr M's address was updated and a letter sent to Mr M on 31 October 2017 setting out Hargreaves Lansdown's requirements. The letter said Mr M's account would be restricted until the documents were received. Further contributions couldn't be accepted and Mr M wouldn't be able to make a withdrawal. Hargreaves Lansdown said, as soon as acceptable identity documents were received, the restriction would be lifted.

Mr M was unhappy and wrote to the CEO on 13 November 2017. Hargreaves Lansdown replied on 15 November 2017 saying that, to comply with AML regulations, Hargreaves Lansdown was required to verify Mr M's identity after a change of address. As electronic identity checks on an overseas address couldn't be conducted, further documentation from Mr M was required to lift the restriction on his account.

Hargreaves Lansdown's terms and conditions were updated in April 2018 to take effect from 1 July 2018. Notification of the changes was given to clients in May 2018 via the Spring 2018 Investment Report which included the following:

'We've also updated our terms and conditions. The key changes are outlined below:

- We've reduced our overseas share dealing charges.
- If you're no longer permanently resident in the European Economic Area (EEA), or stop being in the future, you'll need to let us know. That's because it might mean we aren't allowed to provide you with some services.'

Condition A2 had been redrafted to include the following:

'We offer a full range of services to UK residents and may be able to offer limited services where you are resident outside the UK. You must let us know if you are not, or cease to be, resident in the UK or the EEA and/or become resident in the USA. For these purposes you are deemed to be resident in a country if you have lived, or move with the intention of living, in that country for 12 months or more. We may not be able to offer some or all of our services to you if you cease to be resident in the UK.'

Mr M provided a new address (in the same country) on 22 March 2019. I think he wrote again to the CEO. Hargreaves Lansdown replied on 27 June 2019 saying it had taken a commercial decision not to accept business from individuals resident outside of the EEA. The rules didn't preclude Hargreaves Lansdown from offering its services more widely but it had chosen not to offer its services to individuals living outside of the EEA due to the regulatory complexities involved in providing such a service.

Mr M wrote to Hargreaves Lansdown on 1 September 2020. He referred to a rights issue in respect of a company in which he held shares in his SIPP. Because of the restrictions placed on his SIPP, he couldn't add funds to buy new shares. He asked for the restrictions to be unlocked or to be allowed to transfer his shares out with no cost or penalty.

Hargreaves Lansdown replied on 6 October 2020. It said Mr M's change of address notification was received in October 2017 and updated to a new address in March 2019. Hargreaves Lansdown had written to Mr M about its documentation requirements but these had never been received and his identity hadn't been verified. Hargreaves Lansdown said if Mr M remained dissatisfied he could complain to this service.

Mr M replied on 9 October 2020. He said he'd asked if he could trade normally or exit. In its reply on 21 October 2020 Hargreaves Lansdown said he should be able to trade as he wished. And he could transfer to a QROPS (Qualifying Recognised Overseas Pension Scheme) with no charge levied for transferring away. But the letter added:

'I must stress however that prior to a transfer out of a withdrawal being processed, we must ensure that we have completed our due diligence checks on your new address before we can allow the transfer or the withdrawal to go ahead. As an FCA registered company, we are obligated to verify our clients' identity and address on an ongoing basis. This is set out in our Terms and Conditions which you agreed to when opening an account with us. We are therefore required to have sight of the aforementioned necessary certified identification

documents before we can allow such instructions to proceed.'

In November 2020 Hargreaves Lansdown received a transfer request from another UK SIPP provider. Mr M didn't hear further for some weeks and so chased things up. I think he also wrote to the CEO again early 2021. I've also seen Mr M's email to Hargreaves Lansdown on 3 May 2021. It referred to the transfer request and attached various documents. But it seems these weren't sufficient for Hargreaves Lansdown to verify Mr M's address and so facilitate the transfer of his SIPP.

I've seen that Hargreaves Lansdown's terms and conditions were further amended and effective from 6 October 2021. I haven't referred to any amendments as I don't think they'd be relevant given that Mr M's complaints arose before that version of the terms and conditions came into effect.

Mr M submitted a complaint form to us in April 2021. He made detailed comments in the 'tell us about your complaint' section. Amongst other things, he said he'd only discovered when his account with Hargreaves Lansdown was opened that it would be restricted. That wasn't specified in the agreement yet Hargreaves Lansdown knew he lived abroad (first in one country before moving to another). All of his financial affairs are in the UK – he has a house and a UK bank account and no income from outside the UK or any liability to tax other than in the UK. He also has an unrestricted dealing account with other UK providers.

He'd been unable to take advantage of a rights issue in respect of shares held in his SIPP because of the restrictions imposed. Hargreaves Lansdown hadn't explained properly why he can't transfer his SIPP to a different provider and when he's already a client. Hargreaves Lansdown's references to AML aren't relevant to his situation and he's being treated unfairly and unreasonably. He doesn't want to transfer to a QROPS but to another UK SIPP provider who will accept the SIPP without restrictions and additional proofs of identity. His existing dealings with Hargreaves Lansdown have been through its secure on line system but it seems that isn't sufficient.

His transfer request was sent by post to Hargreaves Lansdown by the new provider on 11 November 2020. He hadn't heard by 18 December 2020 so he sent a reminder. He got a message on 21 December 2020 saying that Hargreaves Lansdown was 'working hard' on his behalf. It wasn't until 31 January 2021 that he got an acknowledgement with proof of identity requested. His correspondence to the CEO hasn't been answered.

Unlike other organisations, Hargreaves Lansdown won't accept an internet generated bank statement. He's a tenant and he can't produce a utility bill in his name (in the country in which he lives utility bills remain in the landlord's name). Airmail to and from the UK takes over two months so it would take four or five months for a bank statement to get to Hargreaves Lansdown. Mr M requested flexibility but Hargreaves Lansdown has demanded certified documents which are expensive and unnecessary and not provided by the embassy in the country he's in. He isn't a new client and Hargreaves Lansdown is discriminating against him by making unreasonable demands and not allowing any flexibility.

To put things right, Mr M sought compensation for the restrictions placed on his account and to transfer his SIPP without penalty. He didn't think he should have to provide what he considered to be unnecessary proofs of identity or he should be able to provide something in a simpler form given his circumstances.

One of our investigators looked into Mr M's concerns. But for the reasons she explained she didn't uphold the complaint.

Mr M didn't accept the investigator's views. He said the investigator hadn't asked the

financial adviser (who'd twice claimed he could definitely transfer funds to Hargreaves Lansdown for foreign residents) or the Money Advice Service who'd made enquiries of a wealth management firm who'd confirmed that Hargreaves Lansdown accepted transfers like his. And it wasn't the case that he'd initially been offered unrestricted access. There was a suggestion but no formal offer. What the investigator had said about AML didn't always apply and when he hadn't moved any money in. He'd offered a solution about his address which although perfectly logical was refused by Hargreaves Lansdown. They'd telephoned him and had been satisfied with his identity. They'd refused to employ methods commonly used by banks and other financial firms to identify and accept changes of address by telephone.

The investigator considered what Mr M had said but she didn't change her view. She acknowledged that it was possible that Hargreaves Lansdown's approach could be different if a regulated adviser was involved. But Mr M hadn't sought advice from an adviser. Hargreaves Lansdown had acted within the terms and conditions and hadn't treated Mr M unfairly. There was no suggestion that Hargreaves Lansdown suspected money laundering. But it still needed to verify Mr M's identity for the security of his account. That wasn't unreasonable. And Hargreaves Lansdown had spoken to Mr M over the telephone. But the risk in that was different from that involved in transferring his SIPP so the requirements were different.

As agreement couldn't be reached the complaint was referred to me to decide.

I asked Hargreaves Lansdown for some more information about the terms and conditions which applied at the time Mr M's SIPP was transferred to Hargreaves Lansdown. I've referred to some of these above and to later changes.

What I've provisionally 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.

I can understand Mr M's frustration. He's unhappy the SIPP he has with Hargreaves Lansdown is restricted. And he's been unable to solve that problem by transferring to a SIPP with a different UK provider who is prepared to accept the transfer and provide an unrestricted service.

Mr M has two separate but related and concurrent issues: first the restrictions placed on his account due the fact that he lives outside the UK; secondly the requirement for him to produce identity documents to validate his address so he can transfer his SIPP away from Hargreaves Lansdown.

I've looked first at what service Hargreaves Lansdown agreed to provide when Mr M's SIPP was transferred.

Even though Mr M's transfer was part of a bulk transfer, Mr M was still required to agree to Hargreaves Lansdown's terms and conditions. Hargreaves Lansdown has said its terms and conditions make it clear that, as a business, it caters for UK residents and it may only be able to offer limited services to if the customer moves outside the UK. That's clearly the position now, as set out in condition A2, which specifically refers to a full range of services being offered to UK residents.

But, at the time Mr M's SIPP was transferred to Hargreaves Lansdown, condition A2 didn't specify that. In fact it appears to have indicated otherwise: it said the same level of service was offered and all transactions were treated the same but, for those dealing with Hargreaves Lansdown from outside the EEA, the same UK protections didn't apply. It wasn't

until Hargreaves Lansdown's terms and conditions were updated in 2018 that condition A2 was amended to draw a distinction between services offered to UK residents (a full range) and those resident outside the UK (the possibility of limited services). That said, and as I've referred to above, the key features document at the time, which I'd assume Mr M got, did say the customer had to live in the UK or EEA when the SIPP was started.

Mr M says he only discovered after his Hargreaves Lansdown account was opened that he'd be restricted, even though Hargreaves Lansdown was fully aware that he lived abroad. But it seems there was some issue at the outset and before Mr M's application was accepted, about his address being in a different country. The letter dated 23 December 2015 from the CEO records that Mr M's application was accepted on the basis he was only a temporary resident. And it said, if Mr M became permanently non resident, then, although he'd be able to retain his existing investments with Hargreaves Lansdown, he'd be unable to make future contributions.

It would therefore seem Mr M knew, from the outset, that his application had only been accepted because Hargreaves Lansdown thought he was only living outside the UK on a temporary basis. Mr M also knew, if he became a permanent non UK resident, Hargreaves Lansdown's service might be restricted.

If Mr M knew when he moved his SIPP to Hargreaves Lansdown that he wouldn't be returning to the UK or that it was unlikely, I think he should've pointed that out to Hargreaves Lansdown, rather than allowing Hargreaves Lansdown to accept his application on the basis it did. It may then have been possible to have made alternative arrangements for Mr M's SIPP from the outset.

Even if Mr M didn't know for sure what he'd be doing, the fact of the matter is that he didn't return to the UK. I understand he's been living in the country in which he currently lives since 2017 and he holds a permanent resident's visa. I don't agree his position is akin to UK diplomats or servicemen who live abroad. Mr M may have retained financial ties with the UK. But I think Hargreaves Lansdown is entitled to treat him as a non UK resident. I don't see that Hargreaves Lansdown is treating Mr M unfairly if he's being treated as Hargreaves Lansdown treats other non UK residents.

In saying that, Mr M has referred to what the Money Advice Service told him. But I note the email from Money Advice Service sent to Mr M on 11 August 2017 starts off by saying that there are 'very few firms who will touch this type of business'. So it would seem Hargreaves Lansdown isn't alone in not being able and/or willing to provide a service to non UK residents. The email does say that the adviser the Money Advice Service made enquiries of was 'adamant' that he'd transferred clients not resident in the UK to Hargreaves Lansdown. But it may that's possible if there's an adviser in place which Mr M doesn't have.

Hargreaves Lansdown says it has taken a commercial decision not to accept business from someone in Mr M's position. Hargreaves Lansdown can choose to limit its services and it has elected to do so for the reasons it's explained – the regulatory complexities involved. That's a business decision on Hargreaves Lansdown's part and not something we'd interfere in.

We'd look at the impact on Mr M but I don't think he's been unfairly treated – as I've said he knew when he transferred his SIPP it was on the basis he was a temporary resident outside the UK and that, if he became a permanent resident, that would affect the services Hargreaves Lansdown would provide. He didn't become a permanent resident in that country but in a different one but the same principle applies. And from what I've seen he's being treated the same as other non UK residents in the same position.

I'd also point out that Hargreaves Lansdown's terms and conditions changed in 2018. Hargreaves Lansdown reserved the right to change its terms and conditions - condition A7 (of the original terms and conditions) said Hargreaves Lansdown could change the terms by giving reasonable notice of the change. Hargreaves Lansdown did give Mr M notice and he's bound by the amended terms and conditions which came into effect in 2018.

Condition A2 as revised is explicit that a full range of services will be offered to UK residents with the possibility of limited services for residents outside the UK. But, given what I've said about the basis on which Hargreaves Lansdown accepted Mr M's application, I don't think anything turns on the later revision to the terms and conditions: when it accepted his SIPP application, Hargreaves Lansdown didn't promise an unrestricted service if Mr M remained a non UK resident.

The other related and concurrent issue is about verifying Mr M's address. Mr M now wants to transfer away from Hargreaves Lansdown but it is unable to facilitate that until it's been able to verify Mr M's identity/address.

Condition A5 in force in 2015 said that identity needed to be verified and that Hargreaves Lansdown might seek additional information in order to do so. Shortly after Mr M's SIPP was set up, Hargreaves Lansdown got in touch with Mr M asking for documents to verify his identity/address. I don't think these were forthcoming.

But, even if they were, when Mr M notified a new address (in a different country) in October 2017 Hargreaves Lansdown needed to see documentation to verify Mr M's address. Mr M raised the matter with the CEO but Hargreaves Lansdown maintained its stance and said that until acceptable identity documents were received, Mr M wouldn't be able to make a withdrawal. I don't think Hargreaves Lansdown was acting other than in accordance with the terms and conditions notified to Mr M when he transferred his SIPP. So my starting point is that Mr M wasn't treated unfairly.

I note what Mr M has said about Hargreaves Lansdown being satisfied with Mr M's credentials in terms of speaking to him over the telephone and that he can access his account on line. But I think that there are different risks involved in actually transferring his money away and which demand a greater degree of security. Even though there's no suggestion of any money laundering Hargreaves Lansdown still needs to comply with its regulatory requirements.

Hargreaves Lansdown has referred to some of the specific AML provisions. I don't think these just apply to new clients. Hargreaves Lansdown's requests are in line with its regulatory duties – to ensure ongoing verification of a client's identity and, where the client has not been physically present for identification purposes, to take specific and adequate measure to compensate for the higher risk, such as requiring additional documentation.

I've also looked at Mr M's particular situation and how easy or otherwise it is for him to meet Hargreaves Lansdown's requirements taking into account he's not living in the UK – essentially I've considered whether what Hargreaves Lansdown has requested is reasonable.

Hargreaves Lansdown has explained, to minimise inconvenience to clients, it will attempt to verify clients' details electronically via an external credit reference agency. But, as Mr M lives abroad, that method wasn't possible.

Looking at the documents that Hargreaves Lansdown has asked for, I don't think what's been requested is, on the face of it, unreasonable, even if other financial firms might have different and less onerous requirements – such as accepting internet generated bank

statements.

I think Mr M can produce a certified copy of a document from List A (which looks quite wide and isn't limited to photographic evidence) but he's having trouble producing another document from that list or one from List B. It includes bank statements but that's problematic.

Mr M has mentioned the time – more than three months – it would take for him to get statements from his bank in the UK by post and then send them back by post to Hargreaves Lansdown. But I don't think Mr M has actually tried to do that so. Despite his pessimism, it might work and be quicker than he fears.

And there might be other steps that could be taken. If Mr M explained the problem to his UK bank, perhaps the statements could be couriered or another delivery service used. The same is true for sending the statements back to Hargreaves Lansdown. I appreciate there'd be a cost implication but I think Mr M would probably have to accept that – sometimes living abroad means that some things aren't as straightforward as they might otherwise be.

I'd expect, if attempts to get the statements to Hargreaves Lansdown don't prove successful, Hargreaves Lansdown to work with Mr M and explore ways in which he might be able to meet the requirements and so enable his SIPP to be transferred.

I can see Mr M has made efforts to comply with Hargreaves Lansdown's requirements. I note what he's said about the way utility bills work in the country he lives in – they're issued to the owner of the property and not the tenant, such as Mr M. He's explained that to Hargreaves Lansdown and, in his email of 3 May 2021, he supplied a copy of his passport, certified by a lawyer, whose details he gave. And a letter from his bank plus his tenancy contract and a water utilities bill in an attempt to match up his address with the bill and the property owner.

Mr M has referred to some flexibility on Hargreaves Lansdown's part being needed. I'd hope that would be forthcoming. Both parties want the same outcome – Hargreaves Lansdown doesn't work with clients who are outside the UK and so it doesn't want to retain Mr M's business and Mr M, for his part, wants to move to another SIPP provider.

I'd ask Hargreaves Lansdown, in response to this provisional decision, to suggest some ways in which the current impasse might be overcome.

Lastly Hargreaves Lansdown has said it didn't reply to Mr M's further correspondence to the CEO as the issue was the same as previously raised. But Hargreaves Lansdown accepts that as a matter of courtesy it should have told Mr M that it didn't propose to reply. From what I've seen there was also some delay on Hargreaves Lansdown's part in dealing with the transfer request it received from another UK SIPP provider and which Mr M had to chase up.

These issues will have caused some unnecessary inconvenience to Mr M and I think a payment of £150 would be appropriate.'

Hargreaves Lansdown accepted my provisional decision. And it told us that the transfer of Mr M's accounts to a new provider had now been successfully completed. Mr M didn't agree with my provisional decision. I've summarised his main arguments:

- He'd made two complaints and he'd been given separate reference numbers for each. Our investigator had decided both complaints were the same and had treated them as a single complaint. Mr M attached the submissions he'd made in support of

each complaint. He said they were obviously separate complaints. One was directed at the CEO, the other was against the company itself.

- As to his complaint against the CEO, Mr M had asked if his evidence that Hargreaves Lansdown had accepted unrestricted business from UK nationals residing abroad was correct or not. Mr M said I'd dismissed and largely ignored evidence from the Money Advice Service and the named adviser/wealth management firm who'd stated categorically that Hargreaves Lansdown had and would accept such business. But Hargreaves Lansdown hadn't accepted unrestricted business from him. We needed to fully investigate his evidence given he'd alleged the CEO had by omission lied to him and to us. The claim that the failure to respond to his two letters was an oversight was disingenuous or worse.
- It's irrelevant that there may be only a few financial businesses who will engage in foreign business. He'd referred to a wealth management firm which does deal with foreign residents and who'd said Hargreaves Lansdown had definitely accepted several accounts from it. That had been confirmed by the Money Advice Service, a government approved body. Mr M said he'd been discriminated against.
- His second complaint, against the company, was about it restricting Mr M's activities after accepting his transferred business and artificially imposing restrictions which prevented him from transferring. Mr M said Hargreaves Lansdown had just accepted the whole of the previous provider's pension book on the basis that any irregularities would be dealt with later.
- I'd ignored his frustration when requesting proof of the specific anti money laundering regulations imposed on him. He'd been sent a clause from the regulator which was irrelevant. When he'd pressed further he'd been threatened with having all communications with him cut off. He resent a link from a government website with advice on firms' responsibilities in identifying money laundering. It says firms should look out for evidence of unusual activity. I'd ignored what he'd said about his account being sealed with no new money ever coming in - he couldn't launder money that didn't exist. He mentioned other large organisations which he considered to be guilty of money laundering or worse.
- The compensation I'd suggested was inadequate. Mr M also sought an apology from the CEO and a copy of the apology and resolution to be passed to regulator.
- Mr M also provided a welcome letter from Hargreaves Lansdown dated 29 October 2015. It said Hargreaves Lansdown offered a broader range of investments than the previous provider and the charges were different (slightly higher). If Mr M wished to transfer his SIPP drawdown account to another provider, he could do so free of exit charges if he acted before 21 January 2016.
- Mr M confirmed that, whilst in the UK earlier this year, he'd been able to transfer to a new provider.

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.

First, I'm pleased to see that Mr M has now been able to transfer to a new provider. So what I said in my provisional decision, about Hargreaves Lansdown needing to work with Mr M to enable him to meet its requirements and enable his accounts to be transferred, falls away.

I'm sorry Mr M is so dissatisfied with my provisional decision. I appreciate his strength of feeling and I've reconsidered everything carefully. But having done so, I'm not going to depart from the views I expressed in my provisional decision. I've set those out above and they form part of this decision. And, although I've read and considered everything, I'm not

going to comment on each and every point Mr M has raised, just what I see as the key issues.

Mr M originally made two complaints which he says are different because one is made against the CEO and the second is against Hargreaves Lansdown itself. Our compulsory jurisdiction covers acts or omissions by a firm in carrying on regulated activities. We'd treat a complaint about an officer or employee as a complaint against the firm itself. Mr M's complaint is about the restrictions Hargreaves Lansdown placed on his account. It includes an allegation that the CEO omitted to respond to an issue raised by Mr M. But that's still part of the same overall complaint. I think the investigator was right to say the complaints should be dealt with together.

Looking first at what Mr M has said about the CEO's failure to reply to his letters, Hargreaves Lansdown has explained that it didn't have anything further to add to what Mr M had already been told. But Hargreaves Lansdown accepted it should've told Mr M that it didn't propose to reply. I said I'd be making an award for any inconvenience Mr M had suffered because of Hargreaves Lansdown's failure to tell him it had nothing to add and that his further letters had just been filed. I've confirmed that award below.

Mr M's point is that, according to the Money Advice Service and the named wealth management firm, Hargreaves Lansdown does accept business from non UK residents. But I don't agree that's conclusive in showing Hargreaves Lansdown has treated Mr M unfairly. Other customers' personal and financial details, such as location (including whether inside or outside the EEA), residency status, banking arrangements, nature of the services required and if an adviser is in place, will be different. I don't think Hargreaves Lansdown must have treated Mr M unfairly simply because it may have accepted business from other UK nationals living abroad and whose circumstances won't exactly mirror Mr M's.

Although Mr M says Hargreaves Lansdown has discriminated against him, I don't think Mr M is alleging discrimination under the Equality Act 2010. It sets out some nine protected characteristics and Mr M hasn't pointed to any of those. I think his point is that he's been treated differently and less favourably to other customers in the same or a similar position to him. But, as I've said, other customers' circumstances won't be identical to Mr M's. It might also be the case that any other customers who don't live in the UK may have encountered similar or comparable issues and may not have been able to access Hargreaves Lansdown's services in exactly the same way as if they'd been in the UK.

Mr M also complains that Hargreaves Lansdown accepted his transferred business but then restricted his account. Where, as here, there's a bulk transfer of business, I agree that each transferring customer's precise situation and requirements won't be known. It's probably inevitable that some individual discrepancies or difficulties will emerge once individual circumstances and requirements are worked through. I note, from the welcome letter Mr M has supplied, that, if he didn't want to remain with Hargreaves Lansdown, he could transfer to another provider free of exit charges if he did so before 21 January 2016.

Mr M considers the AML provisions which Hargreaves Lansdown has pointed to don't apply to his situation and when there's no evidence of unusual activity on his accounts. I do understand Mr M's frustration. Sometimes regulations or processes which are put in place to combat crime or unauthorised activity can be frustrating for genuine customers who want to access their own accounts legitimately. But I think that's a price most customers will be prepared to pay to ensure that the security of their accounts is maintained. I don't agree with Mr M's comments about why the AML provisions didn't apply to him. Further, Hargreaves Lansdown was acting in accordance with the account terms and conditions which provide for verification of Mr M's identity/address. Even if no new money was coming into his account,

Mr M was seeking to transfer to a different provider. Hargreaves Lansdown needed to ensure the instruction was genuine and Mr M's money didn't go astray.

I note that Mr M considers the compensation I suggested was inadequate. But, in the main, I'm not upholding his complaints. The award I made reflected any distress or inconvenience he'd suffered for the failing to acknowledge his letters to the CEO, rather than the wider issues.

My final decision

I uphold the complaint but only in part. Hargreaves Lansdown Asset Management Limited should pay Mr M £150 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 November 2022.

Lesley Stead
Ombudsman