

The complaint

Mr B is complaining about delays in transferring his individual savings account (ISA), self-invested pension plan (SIPP) and trading account from Hargreaves Lansdown Asset Management (HLAM) to another provider (Company A).

What happened

In late April 2021, Mr B wanted to transfer a large number of his unit holdings across his three accounts from HLAM to Company A. He requested the transfers and then waited for them to complete. On each account, the transfer took roughly two months— which was longer than Mr B was expecting.

Mr B complained to both HLAM and Company A while the transfer was still in progress. He was upset about how long the transfer was taking, saying he thought an in-specie ISA transfer was supposed to complete within 30 days, and that the transfers of his SIPP and trading account were similarly delayed.

HLAM responded to the complaint in late July 2021, after the transfers were complete. They said they were sorry they hadn't been able to fully complete the transfers of the ISA and trading account within the six-week timeframe they'd expect but noted most of the stock had been transferred within that time. And they said they'd refunded around £100 of management fees in acknowledgment of the delays. They also paid Mr B £100 in recognition of the inconvenience Mr B had experienced because of the delays.

In relation to the SIPP, HLAM initially said they didn't receive the request from Company A until the end of May 2021. They said the transfer was then processed efficiently and completed in late June – so any delays in the funds appearing in Mr B's account with Company A were due to the allocation of units on Company A's side. After a query from Mr B, HLAM corrected their previous response. They said they'd actually received the request a couple of weeks earlier, in mid-May – but the transfer was still completed within six weeks. They paid Mr B an additional £100 for the additional inconvenience – so a total of £200 plus the refund of fees.

Company A responded to the complaint in mid-July 2021. They said that the delays had been caused by HLAM – they said HLAM hadn't sent instructions to the fund managers and hadn't provided deal references to Company A to allow Company A to properly track the transfers. After Mr B involved our service, Company A reviewed the complaint again. They said they'd caused a delay of five working days on the SIPP and offered £100 as compensation.

Mr B wasn't happy so he brought complaints to our service about both HLAM and Company A. He felt that both businesses were blaming each other and coming to our service was the only way to get to the bottom of it. Mr B said there had been an extended period where both businesses said they didn't have his funds. He wasn't able to monitor the performance of his holdings, or trade. And he spent a lot of time chasing both businesses to get the funds transferred. So he wanted an explanation, apology and additional compensation to acknowledge this.

Our investigator looked into things. He said he could see there'd been delays on both sides. He thought HLAM had done enough to compensate Mr B for their delays but that Company A needed to pay Mr B an additional £100 for the inconvenience caused by their errors. He said he wouldn't suggest an award for Mr B being unable to monitor performance or trade because Mr B could have called HLAM to trade had he wanted to. Mr B wasn't happy with our investigator's view so he asked for an ombudsman's decision – and it's come to me.

In his reply to our investigator's view, Mr B said there were some funds to which he'd had no access because HLAM were saying the funds had been transferred while Company A said they hadn't. Mr B said this was during a period of high volatility when he'd wanted to sell at least 50% of his holding but wasn't able to. So he felt the delays had cost him a significant loss in terms of the valuation of his holding.

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.

Although I'm aware Mr B might be disappointed with the outcome, I'm not upholding his complaint about HLAM. Although they could have done things better with Mr B's transfers, I'm satisfied they've done enough to put things right for Mr B. I'll explain why. I've considered representations and evidence from both businesses in writing this decision.

What went wrong

Mr B's transfer involved moving units in a large number of different funds and stocks from one provider to another. The process is quite complicated and requires communication between the two companies, the consumer, the fund manager for each fund, and also the custodian working for Company A. With such a large number of individual transfers to be made, it's perhaps not surprising that some small errors were made. For example, Company A provided some incorrect re-registration details for a couple of funds. And HLAM got the conversion instructions wrong for one fund. But the problems with Mr B's transfers go beyond these minor errors.

I've been through the timeline and documentation in detail. Although Mr B has complained about the overall timeline and delays, it seems his primary concern was individual transfers of funds which didn't go well. I've considered these below:

- Fund B – these units were transferred out of Mr B's HLAM SIPP on 10 June but didn't appear in his Company A SIPP until almost a month later. I can see HLAM provided details of the transfer to Company A several times, including on 18 June, the day after Mr B told HLAM the units hadn't appeared in his Company A account. The problem seems to have been that the units weren't allocated promptly by Company A's custodian. So I can't hold HLAM responsible for the issues with the transfer of these units.
- Fund L – Mr B held units in this fund in both his ISA and his trading account. At one stage the funds disappeared from what Mr B could see on his HLAM account – but then they didn't appear in his Company A account. A few days later they reappeared in his HLAM account – causing Mr B to worry. HLAM have apologised and said this was an administrative error and was visual only – the funds were actually in his account throughout the period even though Mr B couldn't see them.

The units in Fund L weren't transferred until much later than most of the others. The fund manager needed confirmation from Company A as well as HLAM and it seems

Company A didn't provide this promptly. I can see HLAM were chasing Company A so I can't say they did anything wrong in this respect.

- Fund F – after an initial issue with Company A providing incorrect re-registration details for this fund, HLAM transferred the units out on 2 June. But they didn't appear in Mr B's Company A accounts for around three weeks. As with Fund B, the problem seems to have been with the allocation of units by Company A's custodian – so I can't hold HLAM for the issues with the transfer of these units.
- Fund A – when instructing the conversion of these funds, HLAM got the number of units wrong. Mr B noticed this when corresponding with Company A and so an additional manual transfer was done to transfer the rest of the units. HLAM resolved the issue quickly once it was spotted so it caused limited delay, but it's understandable that the error would have worried Mr B.

So, my findings on the transfer of these funds is that HLAM made two errors – the apparent removal of Fund L from Mr B's accounts, and getting the unit numbers wrong on the conversion of Fund A. In addition to this, I can see that for the SIPP and the trading account it took HLAM around two weeks to instruct conversions. Company A chased HLAM twice in that period. Whilst not an unreasonable timeframe, HLAM could have got the transfers moving a bit quicker.

Putting things right

Mr B's said the transfer was extremely stressful because there was an extended period during which both businesses said they didn't have his funds. And he feels that he's lost out financially because he couldn't monitor performance or trade those units. He also spent a lot of time chasing both businesses to get the funds transferred.

As a service we consider financial loss, and compensation for distress and inconvenience. HLAM have refunded Mr B's direct financial loss – the platform fees for June which he wouldn't have paid if the transfers had gone through as quickly as they might have. I'm satisfied they've done enough in this respect.

I've looked carefully at the correspondence and Mr B's testimony and I can't consider asking either business to compensate Mr B for any financial loss in relation to not being able to trade during the transfer. This would apply only to those units which went missing – Mr B could have traded any of the other units throughout the transfer as most of the funds transferred across very quickly. Throughout his correspondence with both businesses Mr B only made one reference to wanting to trade – and this wasn't until 6 July, just a couple of days before the final units were allocated to his account. There's no indication of quantities or prices. And he didn't make any trades for several months once the transfers were completed – so there isn't enough evidence for me to say he would have traded the missing units if they hadn't gone missing.

I've thought about the distress and inconvenience Mr B's experienced. Transferring such a significant portfolio was always going to cause some stress and inconvenience. And I can see Mr B chose to involve himself in the detail of the transfer on a day to day basis so it can be hard to tell how much inconvenience each business actually caused Mr B.

Looking at what HLAM could have done better – I've thought about each point in turn:

- The disappearance of Fund L from Mr B's view of the account – I can understand that this would have been stressful for Mr B. Initially, he'd have expected it to appear in his accounts at Company A and when it didn't, he had to chase it up – causing inconvenience. But this was a period of just a few days' stress.

- The incorrect conversion amounts on Fund A – this is a small error which I think HLAM would have spotted and sorted quickly had Mr B not spotted it first. This was sorted within a couple of days, so again a short period.
- Getting the transfers moving more quickly at the start of the process – I don't think this had any significant impact on Mr B. Had everything else gone smoothly the transfers might still have completed within the 4 - 6 week timeframe normally expected of a funds transfer. And Mr B's explained that he was stressed when both businesses didn't have his funds. A short delay at the start of the process didn't impact this at all.

Taking all of this together, I'm satisfied the £200 HLAM has already paid Mr B is a fair amount to compensate him for the distress and inconvenience they caused.

My final decision

As I've explained above, I'm not upholding Mr B's complaint about Hargreaves Lansdown Asset Management.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 December 2022.

Clare King
Ombudsman