

The complaint

Mr A complains that Hargreaves Lansdown Asset Management Limited (“HLAM”) issued misleading rules for a prize draw and that its staff didn’t understand the rules when he queried them. He says HLAM credited his account with £150 *“in recognition of poor service”* but that this was done without his permission.

What happened

Mr A has a stocks and shares ISA with HLAM. In February 2022, HLAM sent Mr A a message to remind him to consider using his £20,000 ISA allowance before the tax year end. The email included information about a cash prize draw.

Mr A says that the draw terms said he needed to add at least £500 to his ISA between 20 February and 5 April 2022 in order to qualify. But, in smaller print, rule six of the terms said, *“no purchase necessary for the Draw”*. Mr A thought this was contradictory and he contacted HLAM for clarification. HLAM told him he had to top up his ISA to qualify.

Following his complaint, HLAM investigated. It was satisfied the prize draw rules weren’t misleading, and it noted Mr A had been entered into the draw via the free entry route. But it apologised for the conflicting information given by its helpdesk and credited his account with £150 for the poor service it had given, and the inconvenience caused.

Mr A rejected HLAM’s offer, which he thought had been paid into his account illegally, and he donated the £150 to charity. He said he wants HLAM to:

- Apologise to all its customers for the misleading prize draw terms.
- Compensate customers who were refused entry into the draw via the free entry route.
- Accept rules 1 and 6 are contradictory and remove one of them.

Our investigator didn’t recommend that the complaint should be upheld. She explained our service didn’t have the power to change HLAM’s prize draw rules, or to order action on behalf of all HLAM’s customers. She thought HLAM didn’t provide clear information to Mr A, but that its apology and compensation paid was fair and reasonable.

Mr A didn’t agree. He said, in summary, that:

- The rules were misleading. HLAM should be told to print rules one and six next to each other to avoid confusion in the future.
- He was wrongly told he had to credit his account with £500 to enter the draw. HLAM should have ensured its staff were aware of the rules so that he wasn’t given the wrong information.

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.

I am aware our investigator has made Mr A aware of this service's role and the limits of our responsibility. But it may be useful to briefly summarise this again. The role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I appreciate Mr A is concerned about HLAM's other clients, but I don't have the power to tell a business how it should treat all customers, or how it develops its internal policies, or formulates its terms. That's a matter for the regulator, the Financial Conduct Authority. I can only consider whether Mr A was impacted by any mistake HLAM made.

Mr A complains that HLAM's prize draw rules were misleading and contradictory. That's because rule one said:

"Subject to these terms and conditions, if you open or top up an existing HL Stocks and Shares ISA (an "ISA") with a minimum of £500 (a "Qualifying Subscription") between 20 February 2022 and 5 April 2022 inclusive (the "Qualification Period, 2021/22 tax year only), we will enter you into a prize draw with a chance to win £20,000 (the "Draw")"

And this information was prominent in the body of the message Mr A received.

Rule six said:

"No purchase necessary for the Draw. You can also enter the draw by emailing.... with your client number, name and address."

Mr A says one of the rules should have been removed, or they should have been given equal prominence.

When HLAM advertised its prize draw, which required a £500 ISA subscription to be eligible to enter, it was required to allow a free entry route to ensure it acted in line with current gambling laws and guidance. I'm satisfied it did that and that in doing so it provided two routes of entry, rather than contradicting an earlier rule.

I agree with Mr A that it would have been helpful if the free entry route had been given more prominence. But Mr A was able to enter the draw by using the free entry route. So I don't find he was disadvantaged.

When Mr A phoned HLAM to query the rules, he was given the wrong information. In summary, he was told he had to make an ISA subscription to qualify for the draw. HLAM has apologised that he was given the wrong information and accepted it should have provided a better service. As already noted, I don't find this mistake led to Mr A being disadvantaged, because he was able to enter into the draw using the free route. HLAM paid Mr A £150 compensation. In the circumstances I find this is fair and reasonable for the distress and inconvenience he was caused.

Mr A is unhappy that HLAM credited his account without his permission. HLAM could have asked Mr A to either accept or decline its offer before it credited his account. But I don't find it was obliged to do so.

I understand Mr A's strength of feeling on this matter. But, for the reasons I've explained, I don't find that HLAM needs to do anything more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 August 2023.

Elizabeth Dawes
Ombudsman