

The complaint

Mrs and Mr W complain that Hargreaves Lansdown Asset Management Limited did not pay the full amount held in their Stocks & Shares ISA accounts, when they closed their accounts.

They also complain about the very poor service they received from Hargreaves Lansdown when they contacted it to try to resolve this matter.

What happened

In January 2023, Mrs and Mr W instructed Hargreaves Lansdown to close their Stocks & Shares ISA accounts and pay the proceeds to their bank account. Mr W explained that he and Mrs W had reached the stage in their life where they wanted a *'rest from the stresses and strains of the stock market.'*

Hargreaves Lansdown sold all the holdings in Mrs and Mr W's ISA accounts by early February 2023. The proceeds were paid to Mrs and Mr W's bank account on 2 February and 8 February 2023.

Mr W wrote to Hargreaves Lansdown on 12 February 2023. He said that despite his previous requests for closing statements *'...showing the amounts for which the individual funds were sold'* these statements had not been provided. He also noted that he and Mrs W had still not received the *'Total Cash items which appeared on our last portfolios, and which amount in total to £2,689.83'*. Mr W explained that he had been assured that both requests would *'immediately be dealt with and would present no problems'*.

Mr W then wrote to Hargreaves Lansdown again on 17 February 2023. He noted Mrs W had still not received a closing statement and valuation for her Stocks & Shares ISA account. He also reiterated that it appeared a total of £2,689.83 was still outstanding.

On 23 February 2023, Mrs W then wrote to Hargreaves Lansdown asking for a closing statement and asking for *'... a refund of the Total Cash items which totalled £2,689.83 at the time of sale'*.

It appears a statement was sent to Mrs W on 27 February 2023, but Hargreaves Lansdown did not provide a response in relation to the amount Mrs and Mr W said they thought was still outstanding, it only said there was no money still held in Mrs W's ISA account.

Mr W wrote to Hargreaves Lansdown again on 2 March 2023. He acknowledged receipt of the statement for Mrs W's account and again explained that he was unable to reconcile the statement it had sent with the *'Total Cash items.'* Mr W noted that he had been trying to resolve this matter since early February.

It appears Hargreaves Lansdown did not respond to Mr W. On 11 March 2023, Mr W then wrote to Hargreaves Lansdown again to complain about the very poor service he and Mrs W had received and the £2,689.83 he thought was still outstanding.

Hargreaves Lansdown responded to Mrs and Mr W's complaint on 2 May 2023. It noted Mrs

and Mr W had sold their holdings and closed their accounts in early 2023. It said it had reviewed the transactions on their accounts and it was:

...satisfied that your withdrawals have been paid correctly and in full and each of your HL Stocks & Shares ISA's are now closed. I understand that you believe that funds are missing from the withdrawal however I can assure you that this is not the case. I understand that you have received a transaction history which provides evidence of the account closure however should you need any further clarification, please do not hesitate to get back to me.

It accepted that it had provided poor service when Mr W contacted it to chase the closing statements and the money he thought was outstanding. It said:

As an apology for any inconvenience caused, I have arranged for a payment of £200 to be issued to you which I hope you will accept with my apologies.... I have arranged for this to be paid to your nominated bank account in recognition of each of your complaints...

Mrs and Mr W were not satisfied with Hargreaves Lansdown's response and referred their complaint to this service.

Having considered Mrs and Mr W's complaint our investigator said he didn't think Hargreaves Lansdown had acted incorrectly. He said he didn't think it had withheld any money when the accounts were closed and he felt the £200 it had offered to pay Mrs and Mr W for the poor service they had experienced was fair in the circumstances of their complaint.

Mr W responded to say he did not accept our investigator's view. He reiterated that he felt the 'Total Cash items' – a total of £2,689.83 had still not been accounted for. Mr W also noted he had not received the £200 compensation Hargreaves Lansdown said it had paid.

I issued my provisional decision on Mrs and Mr W's complaint on 21 December 2023. In it I explained that I had reached a different view to that of our investigator. I said I thought Mrs and Mr W's complaint should be upheld in part. I set out my provisional decision as follows:

Total Cash balance

I noted that throughout his correspondence Mr W had repeatedly explained why he thinks there is a discrepancy between the amount he and Mrs W received when they closed their accounts and the amount shown on the Account Summary he obtained on 25 January 2023.

I reviewed all the information that had been provided in connection with this complaint. Having done so, I said I could see why Mr W thought he and Mrs W had not received the full amount they were due when they closed their accounts.

I noted that in his correspondence with this service Mr W had provided his workings and his reconciliation of the amounts shown in the Account Summary dated 25 January 2023, against the amount he and Mrs W actually received. I said it appeared that there may be a genuine misunderstanding on this issue. I thought this was due to the way Hargreaves Lansdown had provided account information to Mrs and Mr W.

I also said I thought that if Hargreaves Lansdown had addressed Mr W's concerns when he first raised them, rather than providing bland assurances that no funds were missing this issue could have been resolved in February 2023. Mrs and Mr W would then have avoided nearly a year of worry and concern about this matter.

Having very carefully reviewed and cross referenced the information Hargreaves Lansdown had provided to this service I said I didn't think any money was still outstanding. I explained

how I had reached this view.

Mr W's Stocks & Shares ISA

I noted that Mr W had provided this service with an Account Summary he obtained on 25 January 2023, for both his and Mrs W's Stocks & Shares ISA.

The Account Summary from 25 January 2023, for Mr W's ISA showed the current stock value of his holdings was £117,922.08 and the 'Total Cash' was £325.34.

(value of stock + total cash = £118,247.42)

When Mr W's holdings had been sold and his account was closed, he received a total of £118,703.10 from Hargreaves Lansdown into his bank account. This was paid in two separate payments of £101,695.46 on 1 February 2023 and £17,007.64 on 8 February 2023.

Therefore, I noted that the amount Mr W received when his Stocks & Shares ISA was closed was £455.68 higher than the value of his '*total cash*' plus the current value of his holdings on 25 January 2023. I said I was satisfied that the total amount Mr W received was made up of the cash in his account and the amount achieved from the sale of the stock he held. I said I couldn't reasonably find that Mr W did not receive the full amount due to him when his Stocks & Shares ISA was closed in February 2023.

(I noted that it appeared this increase in value was accounted for by the change in the stock prices between 25 January 2023, and the date the stocks were sold.)

Mrs W's Stocks & Shares ISA

The Account Summary for Mrs W's ISA from 25 January 2023, showed the current stock value of her holdings was £83,078.01 and the '*Total Cash*' was £2,364.49.

(value of stock + total cash = £85,442.50)

When Mrs W's holdings were sold, she received a total of £85,661.26 from Hargreaves Lansdown into her bank account. This was paid in two separate payments of £76,733.57 on 1 February 2023 and £8,927.69 on 8 February 2023.

Therefore, I said the amount Mrs W received when her Stocks & Shares ISA was closed was £218.76 higher than the value of her '*total cash*' plus the current value of her holdings on 25 January 2023. In view of this I said I was satisfied that the total amount Mrs W received was made up of the cash in her account and the amount achieved from the sale of the stock she held. I said I could not reasonably find that Mrs W did not receive the full amount due to her when her Stocks & Shares ISA was closed in February 2023.

However, I said I thought the information provided to Mrs and Mr W in the 'Account Summary' was confusing and I thought this had led Mr W to be concerned that he and Mrs W had not received the full amounts due when they closed their accounts.

When I compared the information in the Account Summary to the closing statements Mrs and Mr W had received, I said I couldn't reconcile the amounts. The closing statement for Mr W, dated 10 February 2023, showed a balance of £259.15 on 9 January 2023. This balance didn't change until 27 January 2023, when the money from the first of the investments Mr W had instructed Hargreaves Lansdown to sell, was credited to his account.

Likewise, I said that the statement for Mrs W dated 27 February 2023, showed a balance of

£2,354.40 on 9 January 2023. This balance didn't change until 27 January 2023, when it appeared the proceeds from the first of the investments Mrs W had instructed Hargreaves Lansdown to sell was credited to her account.

As I couldn't reconcile the amounts, I asked Hargreaves Lansdown to explain why the cash amount in the Account Summary dated 25 January 2023, didn't tally with the cash balance for the same date on the closing statements it had sent to Mrs and Mr W.

Hargreaves Lansdown said:

So we believe that the client has printed a statement from their online account on the 25 January 2023 during the day so this is not showing a complete picture. The COB valuation we have issued includes all sales and transactions that settled that day. Also, the valuations the client has printed online include both capital and income account balances, whereas the running balance we have sent includes only the capital account.

I said it was not clear to me how Mrs and Mr W could reasonably have been expected to know that the 'Total Cash' shown on the Account Summary Mr W had provided (from 25 January 2023) included 'both the capital and income account balances'. I said I thought this discrepancy between the 'Total Cash' shown in the Account Summary and the balance shown in the closing statements made it virtually impossible for Mr W to reconcile the amounts he and Mrs W had received.

I said I was of the view that if Hargreaves Lansdown had addressed Mr W's concerns when he first raised them, rather than providing bland assurances that no funds were missing this issue could have been resolved in February 2023.

I said it was disappointing that Hargreaves Lansdown had not properly engaged with Mrs and Mr W's concerns. I said I had taken the trouble and upset this matter had caused them into account in the redress I thought Hargreaves Lansdown should pay.

However, I said I wanted to confirm that having carefully reviewed the statements and Account Summary information I was satisfied that Hargreaves Lansdown had paid the full amount due to Mrs and Mr W when they closed their Stocks & Shares ISA accounts in February 2023.

I said my provisional decision was that I did not uphold this aspect of their complaint.

customer service Mrs and Mr W received

I noted that Hargreaves Lansdown had said it accepted that the customer service it provided to Mrs and Mr W was 'poor' and that it had failed to respond to 'a number of your letters'. It said it would pay £200 to Mr W's 'nominated bank account' to compensate Mrs and Mr W for the poor service they had received.

Despite having said it would pay £200 to Mr W's bank account in May 2023, I noted that Hargreaves Lansdown had failed to do so. When Mr W asked this service to chase the missing redress payment Hargreaves Lansdown then said it had paid the money to a 'Loyalty Bonus' account.

As Hargreaves Lansdown had acknowledged in its final response letter that Mrs and Mr W were complaining about the '*recent withdrawal and closures from each of your HL Accounts*' I said I found it wholly unsatisfactory that it felt it was reasonable to credit the redress it had offered to a Hargreaves Lansdown account – particularly when it had clearly stated the money would be paid to Mr W's nominated bank account.

I said I thought this failure to pay the redress to the correct account was indicative of the problems Mrs and Mr W experienced when trying to resolve the apparent discrepancies on their accounts with Hargreaves Lansdown.

Instead of addressing the concerns Mr W had raised – or contacting him to ensure it fully understood his concerns – I noted that Hargreaves Lansdown had either ignored Mrs and Mr W's letters or provided bland responses assuring them it was '*not the case*' that any funds were missing.

I said I thought the service Hargreaves Lansdown had provided to Mrs and Mr W was particularly unsatisfactory given their personal circumstances. I said I was mindful that in all their correspondence with both this service and with Hargreaves Lansdown, Mrs and Mr W had clearly and concisely set out their concerns. I said I thought these concerns should have been properly addressed by Hargreaves Lansdown at the earliest opportunity.

I therefore said I thought that this aspect of Mrs and Mr W's complaint should be upheld.

Having considered the additional trouble and upset Mrs and Mr W had experienced as a result of Hargreaves Lansdown's failure to properly address their complaint and the very poor customer service it provided, I said I thought it should pay Mrs and Mr W £300 each (a total of £600).

But I said that if Mrs and Mr W had been able to withdraw the £200 Hargreaves Lansdown had credited to the 'Loyalty Account' it could deduct this sum from the award. However, if they had not accessed this money, I said Hargreaves Lansdown should make arrangements to pay it directly to Mrs and Mr W's bank account, as it had promised in its final response letter.

Both Mrs and Mr W and Hargreaves Lansdown responded to my provisional decision.

Hargreaves Lansdown said it felt that the redress I had proposed was '*very generous*' and it said it had explained how the statements worked to Mr. and Mrs. W on 'numerous occasions'. But it said that in order to resolve this complaint it was willing to pay the redress I had set out.

Mr W did not accept my provisional decision. He made the following points:

- he said that in my consideration of this complaint I had '*tended to "lump together" the "Stock Values" and "Total Cash"*'. Mr W said he felt these had '*different functions, and should be kept separate*'.
- He noted that I did not appear '*...to be in possession of the units gained between 25.01.23 and 08.02.23*'. Mr W therefore re-submitted his own workings setting out the change in the value of his and Mrs W's portfolio between 25 January and 8 February 2023.
- He also said he felt that the redress I had recommended in my provisional decision was insufficient. He said he felt £1,000 would be more reasonable compensation for the time he had spent dealing with this matter and the worry and upset it had caused.

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 am not minded to change the view I reached in my provisional decision. I'll explain why.

Mr W has provided a copy of information he had previously provided to this service as part of his response to my provisional decision. I have reviewed this information again, but as I set out above, having carefully reviewed the statements and Account Summary information I am satisfied that Hargreaves Lansdown paid the full amount due to Mrs and Mr W when they closed their Stocks & Shares ISA accounts in February 2023.

In a response to this service dated 5 December 2023, Mr W referred to a letter he had received from Hargreaves Lansdown. Mr W said that in this letter Hargreaves Lansdown had incorrectly said that, in relation to Mrs W's account:

...that the sum of £2,354.40 was "TOTAL CASH" and was included in the Bank payment of £85,661.26. This was not TOTAL CASH, but was for sundry items which are listed on the HL Statement dated 27/02/23 - i.e. NOT Stocks and Shares. PLEASE NOTE THAT THE ITEM OF £2,364.49 FOR TOTAL CASH IS STILL OUTSTANDING.

In relation to his own account, Mr W said there was a discrepancy of £325.34. He noted that Hargreaves Lansdown had said this money was '*...included in the payment of £101,695.46*'. Mr W disputed this.

As I set out in my provisional decision, I think the way Hargreaves Lansdown presented the information it provided to Mrs and Mr W made it virtually impossible for Mr W to reconcile the amounts he and Mrs W received when they closed their accounts.

But having reviewed the calculations Mr W has submitted with his response to my provisional decision it appears that Mr W has double counted the 'Total Cash' by adding the cash balance ('Total Cash') from the Account Summary he obtained on 25 January 2023 to the **total** amount due.

I think this oversight, combined with the confusion caused by Hargreaves Lansdown expecting Mr W to have known that the 'Total Cash' shown on the Account Summary Mr W obtained (dated 25 January 2023) included 'both the capital and income account balances', has led Mr W to continue to be concerned that the full amount due has not been paid.

I am mindful that Mr W says that in my consideration of this complaint I '*tended to "lump together" the "Stock Values" and "Total Cash"*'. Mr W says he feels these had '*different functions, and should be kept separate*'. I appreciate Mr W feels these amount should have been 'kept separate' but – as Mr W will appreciate - once stock was sold the proceeds were added to the cash balance of his and Mrs W's accounts. So, the cash and the stock values for their accounts changed as stock was bought and sold.

I therefore don't see how Hargreaves Lansdown could have kept the stock value and total cash value 'separate'.

With regard to the proceeds from the sale of each holding Mrs and Mr W sold, in reaching my decision I have relied on the same information Hargreaves Lansdown provided to Mrs and Mr W. I am satisfied that the gain in the value of the stocks they held (between 25 January 2023 and the date each holding was sold) appears to be correct, based on the information Hargreaves Lansdown has provided.

I note Mr W has said he feels that the redress I recommended in my provisional decision

was insufficient. I do appreciate that Mr W has spent a lot of time and effort trying to resolve this matter. And I appreciate that, given Mr W's personal circumstances this is time he would have preferred to spend on more enjoyable matters, but I think the award I set out in my provisional decision is fair in the circumstances of this complaint.

I would like to assure Mrs and Mr W that having very carefully re-reviewed all the available evidence and information both parties have provided in connection with this complaint, I remain of the view that Hargreaves Lansdown paid the full amount due to Mrs and Mr W when they closed their Stocks & Shares ISA accounts in February 2023.

Putting things right

In order to compensate Mrs and Mr W for the trouble and upset this matter has caused them and the very poor customer service they have received, Hargreaves Lansdown should pay Mrs and Mr W £300 each (a total of £600).

If Mrs and Mr W have been able to withdraw the £200 Hargreaves Lansdown credited to the 'Loyalty Account' it may deduct this sum from the award. However, if they have not accessed this money, Hargreaves Lansdown should make arrangements to pay the redress directly to Mrs and Mr W's bank account, as it promised in its final response letter.

My final decision

My decision is that, for the reasons I have set out above, I uphold this complaint in part.

To put matters right Hargreaves Lansdown Asset Management Limited should pay Mr and Mrs W £300 each (a total of £600) for the trouble and upset this matter has caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 1 March 2024.

Suzannah Stuart
Ombudsman