

The complaint

Mr I complains that Hargreaves Lansdown Asset Management Limited (hereafter, 'HL') caused an unreasonable delay in processing a withdrawal from his stocks and shares ISA.

What happened

Mr I uses HL's service on an execution only basis. On 17 August 2023, Mr I called HL's helpdesk. He sold stock within his ISA and set up a pending withdrawal. HL confirmed during the call that the final settlement date for the three trades was 23 August 2023, though this was later revised to 24 August 2023 or 25 August 2023 at the latest. HL said this was because the investments that were sold had different settlement dates and therefore the withdrawal was reset so that the proceeds were all received at the same time.

On 24 August 2023, Mr I called HL to complain about the delay. He explained the same thing had happened earlier in the year with delays, leading to a complaint being made and compensation of £75 being paid to him.

HL prioritised Mr I's withdrawal request and the proceeds of £18,353.63 were sent to him that same day. It also offered him £50 for the frustration he had been caused. Mr I rejected the offer and said he wanted the compensation to be increased to at least £150.

On 10 October 2023, HL issued a final response letter to Mr I upholding his complaint. It confirmed to the Mr I that the details of his complaint had been furthered to senior members within its withdrawal department as feedback, to minimise the risk of delays happening again. HL also apologised to Mr I and offered to pay him £150 for upset and inconvenience, which was issued to him on 11 October 2023.

Though he had received the compensation, Mr I remained unhappy and forwarded the complaint to this service where it was reviewed by one of our investigators. He recognised the frustration Mr I felt with HL – notably because it had caused him inconvenience and delays on the two separate occasions. However, he explained that the first complaint had not been forwarded to this service within the relevant time limits, and so it was only the second complaint which he was considering. In any event, he believed the compensation HL had proposed was fair and reasonable in the circumstances.

Mr I disagreed. He said he wanted his complaint to be referred to an ombudsman. In a discussion with our investigator, he explained that he remained frustrated that HL has twice failed to meet the required service expectations. Mr I said that had he not called it shortly before close of business on the final day, then he wouldn't have received the funds on time. Overall, he felt that HL was not meeting the reasonable expectations of its customers.

HL confirmed that it didn't have any other comments to make. The complaint has now been passed to me.

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.

Though I realise my decision won't be what Mr I has hoped for, I am not able to uphold this complaint. I agree with the outcome put forward by our investigator. I'll explain my reasons for reaching that conclusion below.

I can see the depth of feeling Mr I has about the delay he has experienced on two occasions. As our investigator already explained, the first complaint was not brought to this service and so, this decision is restricted to looking at this second complaint.

In any event, I can see that HL has explained in writing to Mr I why the two different issues occurred. The first was due to a management fee refund issue and in this second complaint, due to an administrative error setting up the withdrawal by the call handler. Looking at this complaint, it originally advised that Mr I would receive his funds by 23 August 2023, but this was then pushed back by two days – a period that Mr I says he could not afford to wait for.

HL has shown us the terms and conditions which apply to Mr I's account. Section A34 explains that "*Hargreaves Lansdown Asset Management will use reasonable endeavours to facilitate withdrawals but in a timely manner but, subject to subsection C8 in respect of ISAs, does not guarantee any timescales*". The section then goes on to explain how processing would usually begin the following working day for requests made after midday on a working day.

Though HL was not bound to a set timescale within Mr I's policy terms, it did provide one verbally, and this created an expectation for Mr I. In this instance, HL explained to Mr I that the timescale was four working days for the selling down of the three different stocks. However, this was then extended to six working days, and eventually settled within five working days – but only because Mr I called it on the fifth day.

Thereafter, I am pleased to note that HL upheld Mr I's complaint, because it identified that it had misled him as to the timescale, and this caused Mr I upset as well as inconvenience in having to chase HL on the fifth day; and he was frustrated because this was something he'd had to do earlier in 2023.

What this service does is consider if a business has treated a complainant unfairly because of actions or inactions. And if it has done so, we then go on to consider what ought to be done to put the mistake(s) right. In this case, that was to process Mr I's withdrawal on the date he was promised, and to compensate him for the frustration he had suffered when he had to chase HL to ensure timely payment would be made.

As well as putting right any financial losses in a complaint (though there are none in this circumstance), we also consider the emotional or practical impact of any errors on a complainant. In doing so, we do not fine or punish businesses. It may be helpful for Mr C to review to the guidance available on our website around the amounts and types of awards made in instances of upset, trouble, inconvenience and distress caused by businesses in the complaints we see at this service.

Though I realise Mr I would like this service to make a direction as to HL's operation of timescales for ISA withdrawals going forwards, I can't do that. We are not the regulator; that role falls to the Financial Conduct Authority. Instead, I have considered if the sum paid to him as compensation was fair – and I believe it was.

Taking into account the impact of the error, I believe the payment HL made to Mr I for £150 was reasonable in the circumstances where Mr I had been subject to an amended date for the completed withdrawal from his ISA. This caused him concern around his finances for a

brief period; the impact of the mistake was limited to a few days. In my view, the amount HL paid was appropriate for an administrative error of this nature.

My final decision

I do not believe Hargreaves Lansdown Asset Management Limited ought to do anything further to resolve this complaint; it has already paid a reasonable sum of £150 compensation to Mr I for the error it made, which caused a brief delay when it processed the withdrawal from his investment ISA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 22 April 2024.

Jo Storey
Ombudsman