

The complaint

Mr C complains that Hargreaves Lansdown Asset Management Limited (HLAM) provided him with a poor level of service when he attempted to set up a direct debit instruction to make monthly contributions into his personal pension.

What happened

Mr C has a personal pension plan with HLAM. On 14 April 2023, he wanted to set up a monthly direct debit for contributions into his pension. But he felt he'd submitted his instruction for the direct debit with an incorrect monthly amount. So he called HLAM for help.

HLAM told Mr C that the direct debit he'd set up with the incorrect monthly amount wasn't on its system yet. It advised Mr C to check with his bank. Mr C said he had a printed confirmation of the direct debit he'd set up, so HLAM asked him to send a screenshot of that confirmation. Mr C didn't want to do this because he'd written personal information on his copy. He said he just wanted to change the monthly amount. And wanted HLAM to do this for him. HLAM said it couldn't do this if the direct debit hadn't been set up. The call ended with Mr C agreeing to send the confirmation by email, so that HLAM could investigate what the issue was and get back to him.

Mr C emailed HLAM to tell it he wasn't happy with the service he'd received on the phone.

HLAM sent Mr C a secure message on 21 April 2023 to tell him that it hadn't yet received a direct debit instruction. It said there might've been an issue with his original online application. And told him the direct debit could be set up online or over the phone. It provided information about how one could be set up.

On 22 April 2023, Mr C sent HLAM a copy of his original confirmation by email. He also noted that all he wanted to do was to change the monthly payment he felt he'd originally set up.

On 24 April 2023, Mr C called HLAM. He still felt he had confirmation that his direct debit had been set up. But said he was concerned about the process and whether his direct debit had actually been set up. HLAM said it would check the direct debits that were on Mr C's account and then work with him to ensure the right ones were in place.

After some internal discussions, HLAM told Mr C that it didn't yet have an instruction. Mr C said the best option for him would be for HLAM to cancel any direct debits that it had in place for him. And that he would then set the one he wanted up online. Mr C also asked for confirmation that any direct debits he had in place had been cancelled.

Mr C wrote to HLAM on 24 April 2023 to complain about its loss of his direct debit. He said it had been time consuming trying to get a satisfactory answer from HLAM on the phone.

On 25 April 2023, HLAM investigated the missing direct debit, and identified that although Mr C had been starting direct debit applications online, he hadn't been completing them.

HLAM issued its final response to the complaint on 14 June 2023. It acknowledged that Mr C had tried to set-up a direct debit instruction online on 14 April 2023. But said he hadn't fully completed the process. Therefore no direct debit had been set-up. And it hadn't been possible for HLAM to amend the amount Mr C felt he'd put on the direct debit as it didn't exist.

HLAM acknowledged that Mr C had received and downloaded what appeared to be a confirmation of his direct debit instruction. But said this was simply a copy of the instruction. It said it provided this to all clients during the application process. And that it didn't in itself confirm that the direct debit had been set-up. HLAM said that it asked clients to download this copy before the application finished because it contained information about the direct debit collections that they had to be made aware of before it could be set-up.

HLAM said that the final step of the direct debit application process was to tick a box to confirm that the copy had been downloaded. And that once the client then clicked 'next', it would confirm that the application was now complete. It said that its online logs showed that Mr C had never completed this final step. And this was why no direct debit had been set up.

HLAM said it appreciated this could be frustrating, but didn't think it could be held responsible for the direct debit not having been set up. It said that Mr C could still set up a direct debit if he wanted to.

Mr C said that this explanation was clear. But he wanted to know why, if the reason was so obvious and could be tracked, the two lengthy phone calls he'd made at the time of the problem hadn't cleared this up. He said he'd gone two months without being able to make pension contributions and to seek 40% tax relief.

HLAM issued a further complaint response on 30 June 2023. It felt that it had made the situation sufficiently clear in its 21 April 2023 message. And said that during the call on 24 April 2023, Mr C had asked it to cancel any direct debit he'd already set up so that he could set up another one himself online. So it didn't think it was responsible for him not doing this.

HLAM acknowledged that details of why Mr C's direct debit wasn't set up on 14 April 2023 could've been explained to him at that time. It said it would feed this back to the relevant senior manager.

On 30 June 2023, Mr C accepted the outcome of the complaint. He said: *"I am satisfied that the matter has been dealt with"*.

Mr C told HLAM in October 2023 that he was going to escalate the complaint as he felt that: *"the stress caused and potential financial loss are serious matters."* Mr C brought his complaint to this service.

Our investigator didn't think that HLAM had acted unfairly or unreasonably. He said he could see why Mr C had felt that the confirmation of the direct debit instruction, which Mr C had downloaded during the set-up process, was confirmation that the instruction had been completed. He felt that this document was somewhat misleading, but felt that there was sufficient information available on HLAM's website to make the remaining steps clear. Therefore he felt that HLAM's overall procedure for setting up a direct debit was sufficiently clear and suitable. Our investigator also felt that HLAM had provided clear evidence that further steps were required before the set-up was complete. He also felt that the agents Mr C had spoken to hadn't done anything wrong.

Our investigator said that HLAM had confirmed to Mr C on 21 April 2023 that his direct debit hadn't been set up. So he didn't think it was responsible for any financial loss.

Mr C didn't agree with our investigator. He felt that the confirmation of direct debit instruction he'd downloaded showed that a direct debit had been set up.

As agreement couldn't be reached, the complaint has come to me for a review.

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'm not going to uphold it. I know this will be disappointing for Mr C. I'll explain the reasons for my decision.

I first considered if the process for setting up a direct debit was sufficiently clear.

HLAM's direct debit application process

HLAM explained the direct debit set up process in its final response letter. It's also provided this service with evidence that Mr C didn't complete the final step of the application process, because he didn't tick the box he was required to tick to confirm that he'd downloaded a copy of his instruction and then hit 'next'. It said it can only set up a direct debit once a client has taken these steps.

HLAM also said that once a client has completed the process in full, it sends a confirmation letter in the post. It said it never sent this to Mr C as he hadn't completed the application.

Mr C clearly believed that the "confirmation of the direct debit instruction" he'd printed out was confirmation that his direct debit had been set up. Taken in isolation, I can understand why the confirmation Mr C printed appeared to confirm this. But when looking at the process as a whole – as Mr C would've done when he tried to set up his direct debit – I'm satisfied that it's sufficiently clear that in order to complete the application, the box: *"I agree that I have downloaded and printed a copy of the Direct Debit Instruction"* has to be ticked before the direct debit set up is complete.

I understand why Mr C is disappointed that the agents he spoke to on the phone in April couldn't explain why his direct debit hadn't been set up. But, having listened to the calls, I consider that the agents took reasonable steps to assess what had happened. And then tried to help Mr C achieve what he actually wanted – which was to set up a direct debit with the correct monthly payments.

I agree with HLAM that it provided a reasonable and timely explanation of what Mr C would need to do to set up his direct debit in its 21 April 2023 message to him. HLAM sent this message before Mr C had provided it with the "confirmation" he'd agreed to send it on the 14 April 2023 call. And it sent this information only a week after his original call to HLAM on this subject. So I consider Mr C had all the information he needed to set up the correct direct debit at this point.

Having said that, I understand why Mr C still wanted to confirm with HLAM by phone on 24 April 2023 whether or not he already had a direct debit set up. However, I'm satisfied that HLAM made it clear during that call that no direct debit had been set up. And that Mr C left that call having stated that he would set up the direct debit he needed online.

I do appreciate that HLAM didn't send Mr C a confirmation that it had cancelled any other direct debits on his account, despite him asking for this confirmation. But I'm satisfied that it made it clear during this phone call that there were no direct debits on the account.

Therefore there was nothing to confirm.

I next considered if HLAM is responsible for any financial loss Mr C may suffer.

Is HLAM responsible for any financial loss Mr C may suffer?

Mr C told this service that he was very concerned with the situation. And that it'd led to him questioning HLAM's service and procedures. He said that because he felt this way, he hadn't yet set up his direct debit as he now lacked confidence in HLAM's process. He feels this may lead to him losing any potential tax relief.

While I'm sorry that Mr C has lost confidence with HLAM's process, I'm satisfied that it isn't responsible for his decision not to set up his direct debit in April 2023. I say this because I consider that HLAM clearly explained at that point that no direct debit had been set up. It also gave Mr C clear instructions on how he could set it up. And Mr C said he would do that himself.

I also say this because Mr C originally accepted HLAM's 30 June 2023 response to his complaint the same day it sent it. And because even after Mr C brought his complaint to this service, he wrote to HLAM in November 2023 to tell it that his wife was always: *"impressed with the information provided whenever she phones and I acknowledge that HL always do follow up and reply to me"*. This appears to show that Mr C remains comfortable overall with HLAM.

I can't therefore fairly hold HLAM responsible for Mr C's decision not to set up his direct debit, or for any financial consequences from that decision.

I'm sorry that Mr C is unhappy about the service he received. But I'm satisfied that HLAM's process for setting up a direct debit is sufficiently clear. I'm also satisfied that HLAM made it clear to Mr C that no direct debit had been set up in late April 2023. And that it explained what he would have to do if he still wanted to set up a direct debit. Therefore I can't reasonably ask HLAM to compensate Mr C for any missed pension contributions. And I can't uphold the complaint.

My final decision

For the reasons explained above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 April 2024.

Jo Occleshaw
Ombudsman