

## **The complaint**

Mrs R and Mrs R are not satisfied with Hargreaves Lansdown Asset Management Limited ('HLAM'). Mrs R says the customer service doesn't meet her requirements. She has found the security procedures difficult to use and she has been provided information by HLAM that she thinks is incorrect. She is unhappy with some of the account subsidies, and fees and charges, she has paid.

## **What happened**

Mrs R has complained about two investments that she holds with HLAM. These are an Individual Savings Account (ISA) in her name and an investment account held in trust on behalf of her grandson of which she is one of the trustees. I'll call this the trustee account.

Both the ISA and the trustee account were held originally with another business, and they were transferred to HLAM in 2019 as part of a bulk migration exercise.

This complaint is about the trustee account. Whilst both trustees are part of the complaint, as they have to be, Mrs R has made the complaint and I've referred to all of the correspondence as being from her going forward.

I've looked at the complaint about Mrs R's ISA separately. I've needed to do this as all of the trustees need to be part of the trustee complaint but not Mrs R's ISA complaint. I do recognise that Mrs R has complained about all these issues at the same time, and she hasn't made this distinction herself. And there is significant overlap between the two complaints.

All of these investments are held in execution only accounts which means HLAM acts on Mrs R's, and the other trustees, instructions only. It hasn't given investment advice.

On 17 March 2023 Mrs R complained to HLAM, she said that:

- The automated phone service was difficult to use and unhelpful.
- She had tried to alter one of the investments in the trustee account, but this was difficult due to the security procedures that she needed to follow.
- She had received a Key Information Document ('KID') for the trustee account for but not for the ISA that she held herself.
- She wanted hard copies of the annual and interim reports and provision of voting facilities at the annual general meetings.

HLAM responded to this complaint on 9 May 2023. It provided some background information about its customer service. And said the correct fund charges had been applied to the funds that the trustee account invested in. It provided the information Mrs R had asked for, including the KID.

Mrs R continued to correspond with HLAM, and her continuing complaint was on the basis that:

- She was not receiving contract notes on the trustee account.
- The charges were incorrect on the funds, this was due to an arrangement that was made when the investments were transferred.
- Some of the communications she had received were incorrect and she had not received all the information she should have done about these investments.

On 23 August 2023 HLAM considered the trustees complaints and partially upheld it. It said that:

- It had asked for information about Mrs R's grandchild that it did not need, it apologised for this error and offered £100 compensation for this.
- It was not clear why the contract notes were not being received by Mrs R and the trust but confirmed it would resupply any information the trustees needed.
- The accounts and charges applied were as specified in the contract and have been applied correctly.

Mrs R didn't agree, and she brought her complaint to the Financial Ombudsman Service. In particular she said that HLAM's customer service was poor and not all of her telephone calls were returned or answered.

One of our Investigators considered this complaint and didn't uphold it. She said that:

- Mrs R could have altered the account security details if she needed to. And this would have allowed her to trade online and not incur the fees she did.
- HLAM was right to have a robust security system as it has a legal obligation to protect consumers, it's not been unreasonable. She couldn't see that HLAM were at fault when Mrs R wasn't able to pass security.
- HLAM didn't need to ask for her grandson's identity details as it already had them but £100 is reasonable compensation for this.
- The fund charges that have been applied are correct and the trustee account has not been overcharged.

Mrs R responded and didn't agree. She said that HLAM's customer service has been poor compared with the previous investment owner. The telephone service is expensive and difficult to use. She had wanted to diversify her investments but couldn't do this due to HLAM's systems. She maintains that administration charges have not been correctly applied, and it did not issue contract notes which could be fraudulent.

As no agreement has been reached the complaint has been passed to me to issue a final decision.

### **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.

A large part of the dissatisfaction that Mrs R has with HLAM is due to its automated customer service and security procedures. Whilst I can see this has caused Mrs R a significant amount of frustration, HLAM (and any other business), have a responsibility to safeguard her personal information and the money she has invested with it. It has procedures in place to do this. I think it's reasonable to say that in the more recent past these security measures have increased across the financial sector, in part due to the increasing sophistication of the attempts to access customer's accounts and commit fraud and scams.

Having considered what Mrs R and HLAM have said, and what I've been told about these procedures, they don't seem unreasonable in this case. And I don't think HLAM has acted unfairly when it required that Mrs R comply with the security measures that it has put in place. I'm therefore not upholding this aspect of Mrs R's complaint.

And whilst HLAM may not have responded entirely when Mrs R wanted it to, or always returned her calls straight away. I've not seen a lack of contact here or any lengthy delays between times she was in touch with HLAM. As far as I can see HLAM have tried to resolve the customer service issues that Mrs R has faced. Albeit that Mrs R needs to complete security before she accesses these accounts, and this can't be avoided.

When the trustee account was transferred to HLAM in 2019 it benefitted from reduced fees and charges until August 2022. HLAM has provided evidence of this charging structure and the information about it that was provided to the trustees. Having looked at what HLAM and Mrs R have provided I've seen no evidence that any fees and charges have been incorrectly applied to the account.

And I've not seen any information that shows any money that Mrs R has invested has not been applied to the accounts. So, I don't think they have an incorrect value.

Mrs R says that she has not received some contract notes. It's not clear which ones she has not received. But HLAM has confirmed that her accounts are set up to automatically receive these and it is able to supply them on request. Mrs R should contact it if these are not received in the future.

HLAM sent the trustees of the account a letter asking for some identity information about Mrs R's grandson. It didn't need this information, and this caused the trustees some confusion. However, it has offered to pay £100 compensation to the trustees in this respect. I think this is a reasonable amount to resolve this issue.

Having considered everything, I'm not upholding the trustees complaint. Whilst HLAM has made a few errors here I think it has acted fairly for the most part. So, the compensation it has already offered is reasonable.

### **My final decision**

Hargreaves Lansdown Asset Management Limited has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Hargreaves Lansdown Asset Management Limited should pay £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mrs R to accept or reject my decision before 9 May 2024.

Andy Burlinson  
**Ombudsman**