

The complaint

Mr D complains that Hargreaves Lansdown Asset Management Limited ('HLAM') delayed applying funds sent by bank transfer to his Fund and Share trading account.

What happened

After speaking with HLAM on 5 October, Mr D made a bank transfer to his trading account. As HLAM couldn't verify that the transfer had come from Mr D's bank account it asked Mr D to supply further information before it could apply the funds to his account. Mr D asked HLAM to return the funds, but before this was done, he provided the further information HLAM required, and the funds were applied to his trading account.

Mr D complained to HLAM that it had provided misleading information about how quickly the funds from the bank transfer would be available to invest. And that when he asked for the funds to be returned HLAM delayed this. Mr D said HLAM's action had caused him to miss an investment opportunity and caused him distress.

HLAM didn't uphold Mr D's complaint. It said it had told Mr D, in a call on 5 October, that it could accept payments by bank transfers and that if he called when the transfer had been made it could help speed up the payment to his trading account. But when it received the bank transfer on 9 October, HLAM said it was unable to verify the account it came from. HLAM said that when it told Mr D it needed further information – such as a copy or screen shot of his bank statement – he asked that the funds be returned. HLAM said that before it could return the funds Mr D provided a copy bank statement and the funds were allocated to his trading account on 10 October.

Mr D brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator said that whilst they understood Mr D was disappointed that HLAM didn't explain that it may require further information before allocating a bank transfer to his account, this is explained in HLAM's terms and conditions. The Investigator didn't think HLAM refused to return Mr D's bank transfer as Mr D provided the further verification evidence HLAM requested, and the funds were made available for investments the same day as this evidence was received.

Mr D asked that an Ombudsman decides the complaint and it has been passed to me to consider.

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.

The crux of Mr D's complaint is that HLAM didn't make him aware on the call he made on 5 October that it may require further information before a bank transfer can be added to his trading account. My role as an Ombudsman is to independently review the evidence and comments provided by Mr D and HLAM, and to reach what I consider to be a fair and reasonable decision. The Financial Ombudsman Service has a two-tier process to determine

a fair and reasonable outcome to a complaint. The first is a review by an Investigator and the second, and final part of our process, is a decision from an Ombudsman. I am not obliged to reach the same outcome as an Investigator, instead I make my own independent decision. If, as in this case, my decision is along the same lines as our Investigator, my decision will be final.

My decision has taken into account the terms and conditions of Mr D's account and whether HLAM misled Mr D before the bank transfer was made. Although I understand Mr D will be disappointed, for very much the same reasons as our Investigator, I've decided HLAM didn't do anything significantly wrong. I will now explain why.

HLAM told Mr D on 5 October that funds from a bank transfer could take up to two-working days to be available in his trading account. After Mr D explained he felt this was too long, HLAM told him that he could call again after the bank transfer had been made and it could make the process of the payment to his account quicker than two-working days. Unfortunately, when Mr D called HLAM on 9 October – after he'd completed the bank transfer - HLAM told him it wasn't able to complete the verification process because it couldn't be satisfied the funds had come from an account in his name. HLAM told Mr D that it would need further information from him – such as a copy or screenshot of his bank statement – before it could transfer the payment to his trading account. Mr D asked HLAM return the payment and HLAM confirmed it would do this.

The following morning, before the funds had been returned to Mr D's bank account, HLAM received a message from Mr D that included a copy of his bank statement. The funds were transferred to his trading account later the same day.

It's not the role of the Financial Ombudsman Service to tell HLAM what information is required for it to be satisfied the funds had come from an account in Mr D's name. The Financial Conduct Authority, who regulates HLAM provides guidance in this regard, but it's for HLAM to be satisfied the funds had come from an account in Mr D's name. When it could be satisfied this was the case, I don't think HLAM acted unreasonably, or treated Mr D unfairly when it asked him for further information to ensure it could meet its verification process.

Mr D says he had previously made payments to his trading account by debit card, and these were available for investment immediately. That may be the case, but HLAM did make Mr D reasonably aware that payments received by bank transfer could be dealt with differently. In the call with Mr D on 5 October it told him it would take up to two working days for bank transfer payments to be available in his trading account. The same information is also contained in the terms and conditions of Mr D's account which were available on-line when the account was opened and can also be accessed on the HLAM website. Specifically, section A10 of the terms and conditions explain how HLAM treat bank transfers. The section states, *"Payment received by bank transfer may take up to two Working Days from the day of receipt to be applied to your Account and if the transfer has insufficient information to apply it to your Account or is received from a bank account not in your name this could take longer"*

I wouldn't expect Mr D to remember exactly what the terms and conditions said in respect of bank transfers. However, I'm satisfied before Mr D made the bank transfer HLAM told him it could take up to two-working days for the funds to be made available in his trading account. I'm satisfied HLAM didn't take longer than it said it would to make the funds available to invest, even allowing for the requirement for Mr D to provide a copy of his bank statement to verify the source of the transfer. The process may not have been as quick as Mr D wanted it to be, but it was no longer than HLAM said it could be.

Mr D feels that on the 5 October call, HLAM misled him into believing it could make the bank transfer process quicker if he called back when it had been completed. And that this led to a significant delay in him having the funds available to invest. In hindsight, I think it would have been more helpful if the agent who spoke with Mr D had taken the time to explain it may require further information before the funds were released for investment. However, I don't think it's fair and reasonable for me to conclude the agent should have anticipated the bank transfer wouldn't provide enough information to satisfy HLAM the funds came from an account in Mr D's name. Regardless of this, Mr D was always aware the process could take up to two-working days.

On the day HLAM received the bank transfer Mr D called as agreed. HLAM told him it required a copy of his bank statement for the account where the transferred funds had come from. I'm satisfied that HLAM told Mr D of this promptly as the transferred funds had only been received that day – 9 October. When he was told this, Mr D initially said he wanted HLAM to return the funds to his bank account and it sent a secure message to him the same afternoon to confirm it would return the funds to his account. But before the funds were sent, Mr D sent HLAM a copy of his bank statement on the morning of 10 October and it made the funds available in his trading account later the same day.

The service HLAM provided wasn't perfect. However, it's not my role to hold a business to a perfect level of service. Instead, I've considered if the service it provided Mr D was fair and reasonable in the circumstances of the complaint. In this case, I don't think the actions taken by HLAM were unreasonable and I don't think it treated Mr D unfairly. In carrying out its regulatory requirements HLAM couldn't reasonably have quickened up the bank transfer process, but importantly it did complete the process in a timely manner when it received the further information it required from Mr D. And consequently, I'm not persuaded HLAM caused any significant delay in making Mr D's funds available for investment.

Mr D says HLAM's actions had a profound impact on his financial and emotional well-being. I've considered this very carefully. The bank transfer was received on 9 October. On the same day, when Mr D called, HLAM told him why the funds couldn't be added to his investment account, and when he requested the return of the funds it confirmed by secure message it would return them. So, although Mr D may have felt he hadn't got the outcome he wanted, I think HLAM had clearly explained it would send the funds back to him, and I don't think it's necessary for a financial remedy to be paid in this regard as Mr D was able to provide the further information within 24 hours and the funds were moved to his investment account. All of this was completed within two-working days of HLAM receiving the bank transfer.

Mr D has mentioned in his communications with our Investigator that HLAM didn't deal with his complaint as quickly as it should have. Complaint handling is not a regulated activity, so I can't consider this aspect of Mr D's concerns.

My final decision

For the reasons above, I've decided that Hargreaves Lansdown Asset Management Limited didn't do anything significantly wrong and I won't be asking it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 January 2025.

Paul Lawton
Ombudsman