

## **The complaint**

Mr S complains that Hargreaves Lansdown Asset Management Limited ("HL") prevented him from using his voting rights in relation to US shares he holds in his Lifetime ISA.

## **What happened**

On 22 April 2024, following a call from Mr S, HL sent him an email with information about his ability to participate in shareholder voting regarding the shares he holds in his Lifetime ISA. They explained they don't proactively contact customers about voting and gave him information about how to vote regarding UK and EU shares. Mr S replied, saying his question was specifically about what he would need to do to vote on the Tesla shares held in his account, which are US based. The following day, HL replied and confirmed he would not be able to vote on those shares as they are US shares.

On 22 May 2024, Mr S raised a complaint as he felt it wasn't made clear either on account opening or on the website that he wouldn't be able to vote, and he felt stuck in his Lifetime ISA. He said HL were one of the only major platforms that had this restriction, and he wanted them to change this ahead of a Tesla annual shareholder meeting on 13 June 2024. In the morning of 7 June 2024, Mr S emailed HL asking for a Letter of Representation to be completed, which he understood would allow him to vote by proxy.

Later that day, HL sent Mr S their final response to the complaint, explaining that due to the fact US shares were held with HL as Crest Depository Interest securities, they don't offer the facility for shareholders to vote via their platform. HL said this is set out in the terms and on their website. They said that they wouldn't be able to process Mr S's request for a Letter of Representation as there wasn't enough time before the deadline set by Tesla, which I understand was 10 June 2024.

Mr S remained unhappy and referred the complaint to our service on 11 June 2024. He said that a lack of a vote is effectively a "no" vote to the relevant resolutions, which could result in losses of around £2,000. He's unhappy that some HL customers did receive a Letter of Representation, but not him. He mentioned that he was unable to move his shares, as they were in a Lifetime ISA and the availability of that type of ISA is scarce.

HL told our service that in the run up to the shareholder meeting on 13 June 2024, they received many requests from Tesla shareholders for Letters of Representation and agreed to fulfil any requests they received before 2.30pm on 6 June 2024.

An investigator at our service considered the complaint and didn't uphold it. She found that the terms were clear that for overseas shares, voting wouldn't be possible and it was HL's decision as to the type of service they offered customers. She didn't find the email from 22 April 2024 to be misleading, simply because it didn't directly mention US shares and pointed out that the following day, HL was clear about US shares. She found that it wasn't unreasonable for HL to have set an internal deadline for the replies and that this was consistently applied.

Mr S remained unhappy and asked for the complaint to be reviewed by an ombudsman, so it has been passed to me for 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.

Having done so, I've reached the same conclusion as the investigator, for largely the same reasons. As the investigator explained, not all brokers offer the same services, and it isn't my role to say how HL ought to have designed their platform. Instead, my role is to decide whether HL gave Mr S enough information to allow him to understand the service they provided and the options available.

I've considered the information Mr S received about his ability to exercise his voting rights, starting with the terms and conditions. The version I have been provided with says the terms were effective from 1 January 2024, so they were in place at the time of the shareholder meeting and the correspondence leading up to it. In the section on corporate actions, which voting falls under, at section A18 it says:

*"You will not normally be entitled to attend and vote at meetings in respect of overseas investments."*

In my view, this makes it clear that Mr S wouldn't be able to vote at shareholder meetings for his Tesla shares. I note Mr S's argument that the terms are long, and he says this is a significant difference to how other platforms operate, so it should have been highlighted.

While many share dealing platforms generally operate in similar ways to each other, they will each have their own unique ways of doing things – which might be processes for certain situations, or definitions of certain key elements. Generally, the terms and conditions document of each platform sets out the way that particular one operates, and they cannot reasonably highlight every term that may be a different to the way other firms operate. This would likely result in almost all the terms being emphasised, thereby defeating the object.

I'd also note that many share dealing platforms have special terms that relate to US shares, or more widely overseas shares, which is often because of specific tax regimes or simply due to the way they access those markets. So, I'm not persuaded that it's unusual for HL to have specific terms for voting on overseas shareholdings, compared to other platforms. While I appreciate this is an important feature for Mr S, I'm not convinced that it was of such importance to all clients, or was so different to industry standard, to require highlighting.

I note that in their reply to Mr S on 7 June 2024, HL sent him a link to the FAQs on their website which at the time stated that *"it is currently not possible to vote on US shares"*. So, had he seen the FAQ in question prior to that, Mr S would have been clearly told that it was not possible to vote.

Mr S has argued the reply he got on 22 April 2024 was misleading but having considered it, I don't agree. I can see it included the following (bold is my emphasis):

***"We don't automatically send out notification of shareholder meetings or voting forms to clients who hold shares in an HL Account. However, this doesn't stop you from partaking or voting in any future AGMs... If you'd like to attend an AGM or vote on a company's shares that you hold, you can do so once logged into your account... Please note that this will only provide information on upcoming meetings for UK and EU companies you hold in your account.... Whilst we don't provide specific AGM notifications we do offer a share***

*alert service which covers Regulatory News Service (RNS) announcements... **The alerts are available for UK stocks only and will expire after 90 days.***"

In my view, this email made it clear that there was a distinction between UK and EU shares, compared to all other shares. It also made it clear that HL would not notify customers of shareholder meetings or voting rights, regardless of geographical location. I appreciate the email didn't directly state that voting was unavailable entirely for US shares, but this was expressly confirmed very quickly the following day. Overall I'm satisfied that HL gave Mr S clear, fair and not misleading information about his ability to participate in voting, prior to the complaint in May 2024.

I've gone on to consider whether HL ought to have been in touch with Mr S prior to 6 June 2024 to let him know they were accepting requests on an individual basis regarding the Tesla shares. Again, I've started with the terms, and section A18 sets out what HL would do regarding corporate actions and voting – this says (bold is my emphasis):

*"If we receive notice of a Corporate Action relating to a security you hold **that will result in a material change to your holding**, we will use reasonable endeavours to notify you to obtain your instructions... You must return any valid election in respect of a Corporate Action **by the deadline specified by us. This will be before the deadline set by the registrar...** Requests to attend or vote at company meetings should be received **at least 7 days before the date of the meeting**"*

That term doesn't expressly say whether HL would let customers know about AGMs or other shareholder voting rights. This isn't unusual – firms can't reasonably cover all internal procedures in a terms and conditions document. However, I'm glad to see that in the email on 22 April 2022 that I've quoted above, HL did explain what their process was in this regard and said they don't proactively tell customers about AGMs and other voting events.

In my view, that email made it clear that if customers wanted to vote, then they would have to take proactive steps to do so. Read alongside the terms, in my view it's clear that any requests would need to be received at least 7 days prior to the date of the meeting. The date of the meeting was on 13 June – so requests would have to be received by 6 June 2024.

Arguably in making his complaint on 22 May 2024, Mr S did ask to vote. I understand that HL did provide other Tesla shareholders who had contacted them before or on 6 June 2024 with information that led to them being able to vote. So, I've considered if HL ought to have done the same for Mr S.

I've taken into account the fact that this was not a normal request to vote. The normal process for HL customers at the time for UK and EU shares, was that shareholders could see the votes happening in relation to their shares on their HL account, and they could provide elections via that account. Essentially, HL would be responsible to ensuring customers have that information and for facilitating the voting.

I can see that the requests that HL received here were not as straightforward as that process. Rather I understand that Tesla's advisers were drafting Letters of Representation for individual shareholders, which those shareholders forwarded to HL to complete and return. Shareholders then went back to Tesla to register their votes.

I believe it's this draft letter that Mr S sent to HL on 7 June 2024, having learned about it from other shareholders on social media. In my view, this is very different to the normal process of voting via HL. Instead, it's a process that Tesla put in place – which HL had no control over, other than deciding whether they would fulfil the requests and if they did, how they'd go about doing that.

HL did decide to fulfil some requests they received – those received before 2.30pm on 6 June 2024. I don't consider it unreasonable for HL to have put a deadline in place given they needed to ensure they had enough time to answer the requests. The answers were manual – as they hadn't designed the process, there was no automation in place to complete the information required in the Letters of Representation.

HL would have needed to find resource to fulfil the requests – those people were presumably supposed to be doing other work and needed to be redirected at these requests. It's not unreasonable that they would have needed to choose a cap on the requests they dealt with. The choice of 6 June was in line with the time set out in their terms for requests about voting. While this isn't the same, as it wasn't HL facilitating the voting process, I consider that to be a reasonable time frame for these purposes, as it is along the same lines.

As it was a process Tesla invented, not HL, I'm not convinced it would be fair to say HL needed to let Mr S know about it, after 22 May 2024 and before 7 June. It was outside of their normal agreement, and not the normal voting procedure. Overall, I'm satisfied that HL treated Mr S fairly and reasonably in the way they handled this situation.

Even if I'm wrong, and HL ought to have done more to let Mr S know about this special process, I'm not convinced Mr S was caused any loss by not being able to vote. The share price has gone up since June 2024. The two measures he's specifically mentioned in his complaint – the move of Tesla's incorporation to Texas, and the ratification of a compensation plan - were agreed on regardless of the fact he couldn't vote. He hasn't said so expressly, but given he didn't want his lack of a vote to be counted as a "no" I've inferred that he wanted to vote "yes" to these resolutions. This happened regardless.

I appreciate at the time he wouldn't have known that, and it was clearly important to him to have his voice heard in the vote. However, we'd still have to consider the losses that flow from the issue and there's no evidence of financial loss as a result of Mr S not voting. So even if HL had done something wrong, Mr S would be in the same position.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 July 2025.

Katie Haywood  
**Ombudsman**