

The complaint

Mrs S complains that Hargreaves Lansdown Asset Management Limited ('Hargreaves Lansdown') sold US shares held in her Stocks and Shares ISA because she hadn't completed the appropriate form in time. Mrs S says Hargreaves Lansdown shouldn't have sold the shares and is now responsible for her losses.

Mrs S is supported by a representative in bringing this complaint. For ease, I will refer to all actions as being those of Mrs S.

What happened

Mrs S held US company shares with Hargreaves Lansdown, as part of her Stocks and Shares ISA. At the time of account opening, Mrs S agreed to Hargreaves Lansdown's paperless service, meaning that she agreed to receive communication via the secure messaging system in addition to email notifications when there were new messages.

Between November and December 2023, Hargreaves Lansdown sent four secure messages to Mrs S to inform her she needed to renew her W-8BEN form before 31 December 2023, and that if she didn't do this before the deadline, her US shares would be sold. It also sent two letters on 21 and 30 November 2023 despite Mrs S being signed up for the paperless service.

Hargreaves Lansdown extended the deadline to complete the W-8BEN to 19 January 2024 and subsequently sent a further secure message. But Mrs S didn't renew her form before it expired, so Hargreaves Lansdown sold the shares.

Mrs S says she became aware of this in March 2024 when she logged into her account and could no longer see her US shares. She complained to Hargreaves Lansdown saying it hadn't made her sufficiently aware that she needed to complete the form, or that it would sell her shares as a consequence.

In its response Hargreaves Lansdown said that it had warned Mrs S to renew her W-8BEN form, and as a result rejected her complaint. Mrs S did not accept Hargreaves Lansdown's response. She told Hargreaves Lansdown that as a long-term investor, her interaction with the account was minimal, which meant she didn't monitor the account regularly. Mrs S also explained she had been dealing with health issues concerning her family and herself. She felt those particular circumstances ought to be taken into account, but Hargreaves Lansdown's response remained unchanged, so she referred her complaint to this Service.

An investigator with the Financial Ombudsman Service completed a review of Mrs S' complaint. He sympathised with her situation but thought that Hargreaves Lansdown had given Mrs S sufficient notice that she needed to renew her W-8BEN form, or else her US shares would be sold. He, therefore, didn't uphold her complaint.

Mrs S didn't agree with the investigator's view. She felt Hargreaves Lansdown had relied upon an onerous term, and that it had failed to adequately bring this to her attention. She also said the term didn't apply to her situation given its wording, so she asked that her

complaint against Hargreaves Lansdown be referred to an Ombudsman.

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 upholding it for largely the same reasons as the investigator. On the face of the evidence, and on balance, I'm not persuaded Hargreaves Lansdown has acted unreasonably.

Before I explain why, I think it's important for me to note I recognise Mrs S's strength of feeling. She has provided detailed submissions to support the complaint, which I've read and considered in its entirety. Although I've considered everything, I hope she won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy. My role is to consider the evidence presented by both parties, and reach what I think is an independent, fair and reasonable decision based on the facts of the case.

In deciding what's fair and reasonable, I can take into account the relevant law, regulation and best industry practice, but I'm not bound by this. It's for me to decide, based on the information I've been given, what's more likely (than not) to have happened.

Mrs S would like me to determine whether or not a particular term is onerous, but it's not my role to make that determination. My role here is to consider whether or not Hargreaves Lansdowne has acted fair and reasonably.

Here, the terms and conditions Mrs S' account (section A14) sets out the client responsibility to complete the W-8BEN form which allows them to then trade in US securities, *"You must sign the appropriate US Internal Revenue Service form (which we will supply on request) and submit it to us before we accept a trade from you for securities listed in the US... If you do not submit the form Before the date, we specify (usually 30 days) we reserve the right to sell US securities held in your Account."*

Screenshots from Hargreaves Lansdown show that between November 2023 and January 2024, it sent Mrs S secure messages saying she had to provide a W-8BEN by the deadline specified, or her US shares would be sold. The screenshots also show that when the secure messages were sent, Hargreaves Lansdown emailed Mrs S each time saying, *"You have a new secure message – a deadline applies so please read it without delay"*.

Further, although Mrs S signed up to not to receive letters, Hargreaves Lansdown may occasionally send letters where necessary. I've seen evidence two letters were sent on 21 and 30 November 2023. I accept that not all post is correctly delivered, but in this case, two letters were sent so I find it unlikely that none of them were received.

Mrs S says Hargreaves Lansdown's communication was likely, lost amongst the promotional material. I think by choosing not to read the emails or letters from Hargreaves Lansdown, she ran the risk of missing out on important information about her account. As such, I don't think it would be fair to say that Hargreaves Lansdown is responsible for her not receiving information by email when that's how she has asked to be contacted.

In addition, Hargreaves Lansdown added a reminder banner for online clients to renew their forms, which was visible on both the website and mobile app. I've seen evidence via audit logs that show Mrs S logged into her account on 9 January 2024, before the extended deadline. So, even if I could accept Mrs S wasn't aware of the impending deadline through the numerous attempts Hargreaves Lansdown had employed, I think it ought to have been reasonably clear at the point Mrs S logged in, that she needed to take action on her account.

In light of this, I'm persuaded Hargreaves Lansdown made reasonable attempts to notify Mrs S that her W-8BEN was due and the consequence of this if it wasn't completed in time.

I'm also mindful Mrs S thinks the term only applies where (1) a client holds US securities and (2) *has not* previously provided HL with a *valid* form. She says, since she had previously provided Hargreaves Lansdown with a valid form, any subsequent forms would be considered a renewal form, so the term is of no application to her. But I'm not persuaded by this argument. W-8BEN forms are valid for three years so although Mrs S had previously completed a form in 2020, once the form expired, it no longer constituted a valid form under the terms and conditions. As such, Hargreaves Lansdown's request that Mrs S complete a W-8BEN applied in this instance, and in not complying with this, so was the sale of Mrs S' US shares.

Overall, Hargreaves Lansdown's request for a completed W-8BEN form was to meet the regulatory requirements of the IRS. Mrs S was notified that she needed to renew her W-8BEN form on seven occasions. Hargreaves Lansdown extended the expiry period of Ms T's form from the end of December 2023 to the January 2024 to allow for a final opportunity for the form to be renewed. It was only after the expiry of this extended deadline that the US company shares were sold, in line with Hargreaves Lansdown's terms and conditions. It follows that I don't think Hargreaves Lansdown has treated Mrs S unfairly or unreasonably.

My final decision

I am not upholding Mrs S' complaint against Hargreaves Lansdown Asset Management Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 8 September 2025.

Farzana Miah
Ombudsman