

## **The complaint**

Mr R complains that Hargreaves Lansdown Asset Management Limited (“HLAM”) disclosed information about his investment account to tax authorities, despite him being a non-taxpayer.

## **What happened**

In 2023, Mr R, a resident of India, received a request for information about his HLAM account from the Indian tax authorities. He says that he’s had to pay tax on dividends received in that account, which he feels he shouldn’t be liable for, and has subsequently been subject to blackmail and extortion. He made a complaint to HLAM as he felt they must have disclosed this information incorrectly. As a non-UK resident or taxpayer, he says there was no need for HLAM to disclose information to UK authorities, including HMRC.

HLAM didn’t uphold the complaint and explained that they didn’t have a record of sharing any specific information, but admitted they would likely have shared information with HMRC as part of their normal reporting. They said HMRC may have forwarded information to other authorities under the International Tax Compliance regulations. Mr R remained unhappy and brought the complaint to our service, where it was considered by an investigator.

Our investigator found that both the terms and conditions of the account, and HLAM’s Privacy Policy, allowed HLAM to give information to HMRC and he shared the relevant sections of each document with Mr R. He said he couldn’t hold HLAM responsible for the actions of HMRC or the Indian tax authorities. As he didn’t think HLAM had made an error, he didn’t uphold the complaint. Mr R disagreed and argued that simply notifying him that disclosure would be made, doesn’t make that disclosure correct. He asked for the complaint to be referred to an ombudsman, so it has been passed to me for a 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.

I’m sorry to hear that the situation has caused Mr R such difficulties. I’ve carefully considered whether HLAM has treated him fairly and reasonably, taking into account their obligations and whether they took steps to make Mr R aware that information might be disclosed about his account.

Having reviewed the documents Mr R was provided with by HLAM that govern his agreement with them, I’ve reached the same conclusion as the investigator about the terms and the Privacy Policy. So, I’m persuaded that Mr R was clearly warned that there would be situations in which his personal information would be shared. I appreciate Mr R’s point that advance notification alone doesn’t automatically mean that it is right for a firm to share information. So, I’ve gone on to consider the reasons why the information would have been shared, to decide if it was reasonable in these circumstances.

In Mr R's case, HLAM hasn't got a record of the specific information shared – though they have said it was likely to have been part of their normal reporting. There are various laws that govern HMRC's powers, including the Finance Acts of 2008 and 2011, which allow them to gather data from a variety of sources to assist with executing their tax functions. As a UK based firm, HLAM is generally obliged to comply with requests from HMRC and so in theory, I consider it reasonable for them to share information with HMRC, as needed.

In my experience it is normal across industry for firms to share regular information with HMRC about investment accounts, as investments generally are subject to various taxes in the UK. Whether tax is payable is ultimately up to HMRC - it is a complex subject given there's a number of exemptions and allowances, which depend on the individual's circumstances.

It isn't for HLAM as the investment account provider to decide whether tax is payable, and they wouldn't be able to choose what to report depending on certain characteristics of customers, like their address. So, I wouldn't expect HLAM to have excluded Mr R from their reports, simply because he lived outside of the UK. I'm satisfied that HLAM acted as any other investment account provider would have in this situation, based on the standards across industry, and general practice regarding reporting to HMRC.

In summary, I'm satisfied HLAM acted fairly and reasonably in sharing information with HMRC, as they had warned Mr R that it was a possibility, and they acted in the same way other investment account providers likely would have. It follows that it wouldn't be fair for me to hold HLAM responsible for the consequences of sharing the information with HMRC.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 August 2025.

Katie Haywood  
**Ombudsman**