

## **The complaint**

Dr S complains that on several occasions, he's been unable to log into his trading account with Hargreaves Lansdown Asset Management Limited ('HL'). As Dr S states that he sometimes wishes to trade outside of normal office hours, he believes that he's been placed at a disadvantage because of HL's IT issues.

Dr S would now like HL to resolve their IT problems, provide an assurance it won't happen again and compensate him for the lost investment opportunities from the occasions when he's been unable to trade.

## **What happened**

Dr S has held several trading accounts with HL for around 20 years. To enhance the security of their customers' accounts, HL introduced a two-factor authentication (2FA) process that needs to be completed each time a customer wishes to log onto their platform to view their personal holdings. The process involves HL sending the customer a text message with a unique passcode that must be entered each time, alongside their other sign in details to access their online account.

Over the last 12 months, Dr S has experienced a number of issues logging into HL's platform. Dr S says that he regularly received a text message from HL when trying to log in, incorrectly stating that he'd changed his mobile number which then prevented access. However, Dr S explained that his mobile number hasn't altered in over five years. On each of the occasions that Dr S has struggled to log in to his account, he's raised the issue with HL's IT helpdesk. And, more often than not, whenever Dr S has been locked out of his account, he's explained that he's had to wait until normal office hours to reach HL for their IT team to resolve matters for him.

In June 2024, Dr S decided to formally complain to HL. In summary, he said that he's never changed his mobile phone number and when he calls their helpdesk, HL's specialists are able to resolve matters, but Dr S says that he shouldn't have to phone each time he wishes to log in and HL should work harder to create a fix for his problems.

After reviewing Dr S's complaint, HL concluded they were satisfied they'd done nothing wrong. They also said, in summary, that according to their terms and conditions which Dr S agreed to when he signed up with them, they cannot guarantee that the HL service, including access to, or trading in, accounts via the online service, by telephone or by post will be available at all times or without delay. HL also said that they were satisfied that Dr S had generally been able to access his account without issue, and that their helpdesk have assisted him when he has not received a 2FA code. HL stated that they are in the process of investigating the 2FA issue further, and whilst they cannot guarantee a timeframe for the problem to be resolved, they will contact Dr S if they have any further information.

Dr S was unhappy with HL's response, so he referred his complaint to this service. In summary, he said that he was finding it frustrating trying to log into his HL account and

undertake trades when their 2FA process often glitched out. Dr S explained that he preferred to manage his monies after normal office hours and also looked after the six accounts of other family members too which this was also impacting. Dr S went on to say that because of HL's IT issues, he'd missed out on a number of opportunities to undertake trades which would have likely resulted in positive returns for him.

After raising his concerns with this service, Dr S encountered a similar issue trying to log into his account, so he again raised his concerns with HL. HL looked into matters for him and explained that after looking at their IT logs, they were able to see that throughout 3 August 2024, he had successfully logged in during the morning at 10:34 but was unsuccessful afterwards. They went on to say that looking at his later attempts, he had not been able to log in due to either the password or pass number being entered incorrectly. And, until these have been entered correctly, HL said that a 2FA code will not be produced. The same issue occurred later that day at 19:47. HL also said that they reviewed Dr S's latter attempt to log in on 5 August 2024. In this instance HL say that Dr S had successfully entered his password and secure number but encountered a known error where his phone number was not being recognised. HL went on to say that issue is something they are aware of and is an issue with the third-party company they use for sending 2FA codes. HL went on to explain that when this happens, their system recognises it and flags it on their website for clients to contact their helpdesk who are then able to resync phone numbers.

HL subsequently stated that they were conscious of Dr S's disappointment with the service he has received. As such, they were arranging for a gesture of goodwill payment of £100 to be credited to his account to apologise for the inconvenience he has faced. HL paid the £100 to Dr S on 2 September 2024.

Dr S explained to our Investigator that as he'd been impacted by HL's 2FA issues on a number of occasions, he'd expect HL to recompense him £500 to reflect the number of times that he'd encountered the problem, rather than the £100 they'd originally set out. In addition, Dr S said that as he'd been unable to trade on 5 August 2024, HL should recompense him for the transactions that he'd wanted to undertake but couldn't as he was unable to access the system. Dr S went on to say that there'd been a dip in the market which he'd wanted to take advantage of but had been prevented from doing so. Dr S said that HL's IT issue had also prevented him from accessing his family members' accounts too, meaning that he couldn't trade on those either. Finally, Dr S stated that he wanted an assurance from HL that he wouldn't encounter similar problems such as the 2FA issues again when trying to log onto their platform.

The complaint was then considered by one of our Investigators. She explained that as Dr S didn't hold a power of attorney for any of his family members' accounts, HL had stated that he wasn't able to make investment decisions for them. In any event, HL said that they'd not seen any evidence Dr S had raised concerns about this particular issue previously so he'd need to raise a complaint with them first to enable them to look into this specific point for him.

In addition, our Investigator explained that as Dr S had accepted HL's terms, he agreed that there could be occasions when he was unable to gain access to their online platform. But, our Investigator explained that there were alternatives to the 2FA text message service that Dr S could have adopted such as turning on facial or finger print recognition on his phone to avoid having to rely on SMSs. Our Investigator felt that given HL's IT helpdesk had promptly supported Dr S each time he'd telephoned them for help and made him aware of the known ongoing issue with their third-party provider, they'd acted reasonably. In respect of the financial loss that Dr S says he suffered as a result of not being able to sign into his account on 5 August 2024, HL were able to demonstrate that he'd eventually accessed his account

that day and didn't make any trades. Finally, our Investigator felt that the £100 HL had offered for the inconveniences caused was fair in the circumstances.

Dr S, however, disagreed with our Investigator's findings. In summary, he said:

- Since HL is a highly rated FTSE company, he would've expected them to put greater resource into trying to resolve this issue for their customers.
- It was unreasonable that he couldn't access his account during the weekends when HL's helpline was shut.
- HL have blamed the 2FA issue on their third-party provider. HL had failed in their duty of care to ensure that they had undertaken sufficient due diligence on that firm.
- He has found their entire process anxiety-provoking.
- His family members don't need to log in because he undertakes the necessary trades for them after consulting them. As such, he said he was complaining on their behalf.
- HL's terms and conditions only serve to protect them and not the consumer.
- There are 128 hours in the week when HL's helpline is not available and by raising the problem, he states that he is helping HL find a solution.
- HL manage 1.8 million customers and look after £134bn of monies for those customers so "they should be doing better".

Our Investigator was not persuaded to change her view as she didn't believe Dr S had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Dr S then asked the Investigator to pass the case to an Ombudsman for a decision, explaining that he was of the view it would help HL resolve the matter more speedily and assist other investors who could or are being affected and may benefit from the outcome.

### **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 have summarised this complaint in less detail than Dr S has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Dr S and HL in order to 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 must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened.

And, having done so, whilst I'm upholding Dr S's complaint, I won't be instructing HL to do anything beyond what they've already offered to do – whilst I don't think there's a great deal more that I can add over what our Investigator has already set out, I'll explain why below.

I can well imagine how frustrating Dr S must find not being able to access HL's online platform when he wishes. However, 2FA is in place to prevent third parties who are not authorised from accessing accounts, gaining control and fraudulently undertaking transactions. As fraudsters are becoming more inventive with the ways in which they try and part consumers with their hard-earned monies, the 2FA mechanism is a really key part of HL's armoury in helping protect the integrity of its platform and most importantly, their consumers' monies. The crux of Dr S's complaint is that when he sometimes tries to log in, his mobile number isn't recognised by HL's system or he doesn't receive a text code meaning he then can't log in. HL have explained that they use an external business to provide the 2FA technology and when the issue occurs, their system recognises it and a message flags on their site for the client to contact their helpdesk. HL's IT team are then able to resolve the issue whilst the consumer is on the telephone.

I've looked closely at the terms and conditions that Dr S would've been provided with when he opened his accounts with HL. Section A12 states:

*"We cannot guarantee that the HL Service, including access to, or trading in, your Accounts via the Online Service, by telephone or by post will be available at all times or without delay. You acknowledge that the HL Service may not be available at all times or without delay and you acknowledge that we will not be liable to you for delays or interruptions to the HL Service. You acknowledge that delays or interruptions to the HL Service may be caused by the acts or omissions of third parties such as utility, technology, communication, and other infrastructure network providers."*

So, it seems to me that whilst HL will endeavour to ensure that their platform is generally always available to customers, they don't provide any warranties that it will either be available every time or that customers can always access it. But, at the heart of Dr S's complaint is the glitches he's experienced using HL's 2FA system – I'm not going to repeat the respective timeline of issues as it's well known to both parties and it was comprehensively set out by our Investigator in her view, but from I've seen, each time Dr S contacted HL's helpline, they've been able to resolve the issue for him and arrange for access to their platform. But, I do feel it's also important to acknowledge that at times, Dr S's inability to access HL's systems haven't always been as a consequence of their 2FA technology not working as it should. HL have been able to show that on a number of occasions, Dr S didn't insert his password correctly into their portal meaning that he wouldn't reach the point where a 2FA code was then generated.

Using financial services won't always be hassle free and sometimes problems occur. But, I haven't seen an occasion when Dr S hasn't been able to access his trading account once he's spoken to HL's IT helpdesk - they've always managed to get him back up and running again promptly. Whilst I appreciate that Dr S would like to speak to a helpline operative during the late hours around when he typically trades, I can't conclude that HL have done something wrong by not making their IT helpdesk available 24 hours a day. That's because the decision around when HL offers its consumers IT support is a commercial decision for them and will be based around a number of factors, one of which I suspect is customer demand. To be clear, I'm not privy to HL's decision making around the factors that determine when they offer their helpline, but I can well imagine they'd likely want the weight of their support team being available to help their customers during peak daytime hours when most customers would ordinarily trade and likely need their assistance.

In any event, whilst HL have explained that they're currently working on a fix for their 2FA glitch that is affecting a limited number of customers when requesting a text message, they have signposted a workaround to Dr S that would avoid him having to rely on a text message each time he wishes to sign in. HL state their consumers can opt into signing onto the platform using either facial recognition or their fingerprint which would then bypass the need to have to request a text message code. However, Dr S says that using either of those is not his favoured option and in any event, isn't a remedy for the issue at the heart of his complaint. Whilst I appreciate that Dr S may not wish to use either of those options, both would ultimately provide unhindered access to his account (once set up) until such time as HL are in a position to remedy the text glitch with their third-party provider. And, if Dr S continues to have problems in the interim until HL introduce a fix for the 2FA issue, he is able to telephone HL's dealing helpline which is available until 21:00 in the evening. HL have committed to only charging Dr S their online rather than telephone dealing rates if he chose to use that service, so he isn't financially disadvantaged.

As part of his complaint, Dr S has made reference to a number of trades that he wanted to undertake on 5 August 2024 but says he wasn't able to because of HL's IT problems. However, from what I've seen, when Dr S contacted HL that day to highlight his access issue, their helpdesk was able to resolve the problem promptly allowing him to log in. And, from what I've seen, Dr S then didn't place any trades that day or highlight his inability to do so with HL. Therefore, despite Dr S stating that he's of the view that HL should make a goodwill payment to him for this particular day's issues, I can't reasonably conclude that HL should recompense him for lost growth opportunities when he didn't place the transactions when given the chance to do so.

Dr S has explained to our Investigator that he's of the view HL should award him at least £500 for the trouble caused; that's because, in his opinion, they should recognise the hassle of not being able to log in on each separate occasion and pay him £100 for each event. However, I don't agree and that's because when we consider an award for the trouble caused, this service doesn't typically consider a separate amount for each individual issue and we look at the impact the events have had on the consumer as a whole. And, based on what I've seen, I'm satisfied that the £100 offer from HL is fair and reasonable and is at a level that I would have instructed them to pay to Dr S had they not already offered to do so.

Whilst HL have acknowledged that there is an intermittent problem with their third-party 2FA provider issuing text messages, from what I've seen, HL have been able to organise access to their portal for Dr S promptly when he's contacted them. HL have also been able to demonstrate that there's been occasions when Dr S hasn't been able to access their portal through no fault of their own, but having seen the alternative options that HL have put forward to Dr S to resolve the issue for him, I'm satisfied that they've treated him fairly in the circumstances.

For completeness, I will comment on the issue that Dr S has raised about being unable to deal on the accounts of his family members. HL have stated that Dr S doesn't have power of attorney for any of his family members and therefore he's not able to undertake trades on their behalf. And, in any event, HL can find no record of either Dr S or his wider family members raising this issue with them so they're able to consider it further.

## **My final decision**

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

So, my decision is that Hargreaves Lansdown Asset Management Limited should pay Dr S £100, which I believe they've already done.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 28 June 2025.

Simon Fox  
**Ombudsman**