

The complaint

Mr B complains that Hargreaves Lansdown Asset Management Limited (“HL”) has unfairly removed a limit option facility on his shares.

What happened

Mr B had a stocks and shares ISA and SIPP income drawdown account with HL. Mr B held shares in a company, which I shall refer to as Company A, in both of his accounts. Shares in Company A were listed on the UK based AIM stock market but were subsequently delisted and moved to the Austrian based ASX stock market.

Mr B complained to HL as he was unhappy that, since Company A’s shares had been delisted, HL would no longer provide a limit option facility and instead would execute any sale of these shares on at best price basis.

HL considered Mr B’s complaint but didn’t think it had acted unfairly. HL said that since shares in Company A delisted from AIM, it is unable to offer any limit minding facility on the sale of these, due to them no longer being listed on a UK exchange. HL said it now utilises a third-party custodian to ensure investors can continue trading.

Mr B remained unhappy and so he referred his complaint to this service for an independent review.

One of our investigators considered the complaint but didn’t uphold it. In summary, they said:

- They reviewed HL’s terms and conditions and noted that these made it clear that HL would only provide limit orders on UK listed stocks.
- They were satisfied that HL had made Mr B aware of the changes to trading in shares of Company A in August 2023 and January 2024.
- HL had put in place a bespoke arrangement to ensure Mr B could continue to trade shares in Company A - which entails additional costs and limitations due to the need to arrange trades through multiple counterparties.

Mr B didn’t accept the investigator’s findings. In summary, he said:

- He doesn’t accept that HL has provided a fair explanation as to why it is unable to provide a limit facility and has simply decided not to offer it.
- He didn’t think HL was paying due regard to the interests of its customers by not changing its terms in order to provide the limit facility.

As Mr B remained unhappy, the complaint has been passed to me to decide.

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 appreciate Mr B feels strongly that HL should be able to provide a limit option facility on his shares in Company A and says that, in not doing so, it is not adhering to the Financial Conduct Authority's ("the FCA") principles. I'd like to assure Mr B that I've considered all of the relevant FCA principles when reaching my decision, but having done so, I don't think HL has acted unfairly. I'll explain why.

I've considered HL's terms and conditions and note that these explained limit orders would be available on UK listed stocks:

"Limit orders are available on UK listed stocks, however we reserve the right to amend the range of stocks for which limit and stop loss orders are available."

The terms do not say limit orders are available on overseas stock.

Whilst I understand Mr B is disappointed in HL's decision to not offer the limit option facility on his shares in Company A, I'm satisfied this is a commercial decision it can make, and I don't think its terms were unclear about the availability of a limit option on overseas stock.

Mr B's complaint stems from the change in Company A being delisted from AIM and listing on AIX, which is something which is clearly outside of HL's control.

HL has explained that it doesn't typically facilitate trades on the ASX because of the significant costs involved for investors in the UK. However, I understand HL has arranged a bespoke facility to trade shares in Company A, allowing investors such as Mr B to still access their investments. HL has explained that this bespoke arrangement does entail additional costs and limitations due to the need to arrange trades through multiple counterparties. As such I'm satisfied HL has acted in Mr B's best interests by putting in place arrangements for him to still trade his shares, albeit without a limit option.

HL has also explained that despite not being able to provide a limit option on his shares, he can contact its dealing desk during market hours and request a quote for his shares. And that there is no obligation for him to proceed with the price quoted. Furthermore, Mr B also has the option to transfer his shares to a broker specialising in trading on the ASX.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 April 2025.

Ben Waites
Ombudsman