

The complaint

Mr K complains Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown ('HLAM') provided wrong information about the dates of a dividend payment and so caused him a financial loss.

What happened

On 27 June and 3 July 2024 Mr K used his HLAM account to purchase units in an investment fund. Because of information provided on HLAM's website Mr K expected to receive a dividend in respect of the units. HLAM provided a fact sheet that said the fund's ex-dividend date was 6 July 2024 and the dividend payment date was 27 July 2024.

But Mr K didn't receive a dividend. He complained to HLAM. HLAM said Mr K had purchased his units after the ex-dividend date and so he wasn't eligible for the dividend that had recently been paid.

Mr K complained that the main reason he purchased the units was because of the ex-dividend date, and HLAM's website and mobile app both said the ex-dividend date was 6 July 2024. Mr K said he'd missed out on a dividend payment of about £680.

HLAM said the ex-dividend date was in fact 31 May 2024. And the payment date was 7 June 2024. It acknowledged the dates on its website were wrong. It said the dates were presented in a factsheet which was provided by a third party. And so HLAM didn't consider that it was responsible for the wrong information.

Mr K wasn't satisfied. He referred his complaint to this service. He said HLAM should pay the dividend that he'd missed out on due to incorrect information from HLAM.

One of our Investigators looked into Mr K's complaint. During the investigation HLAM told this service that the ex-dividend date was 17 May 2024. And having said it was 31 May 2024 was a further error which originated from a different third party.

The investigator came to the view that HLAM hadn't acted fairly. In summary he said the following:

- The third party who provided the wrong information on HLAM's website acted as HLAM's agent. So it wasn't fair or reasonable for HLAM to deny all responsibility for the accuracy of the information.
- Irrespective of the fact the information included disclaimers and was from a third party, Mr K shouldn't have to verify information he got from HLAM's website and app.
- Because it was at fault for providing incorrect information HLAM should put Mr K back in the position he would've been in if he'd had correct information from HLAM.
- The price of the units Mr K bought dropped after the ex-dividend date, which was 17 May 2024. And Mr K benefited from that drop by buying the units at a cheaper rate

than he would've paid if he'd bought before the ex-dividend date.

- Because Mr K had paid less for the units than he otherwise would've done, the investigator wasn't persuaded Mr K suffered a financial loss by buying the units after the ex-dividend date.
- But Mr K had suffered a loss of expectation. And HLAM should pay Mr K £100 for the distress and inconvenience that caused.

Mr K didn't agree with the investigator's view. He said £100 wasn't sufficient compensation because the dividend he thought he would receive would've been in the region of about £700 and he thought it was unfair for HLAM to provide wrong information and blame a third party.

Hargreaves Lansdown also disagreed. In summary it said it had to rely on a third party for the information it provided and it couldn't feasibly check all the data provided. But HLAM acknowledged Mr K's frustration and said it would agree to pay him £100 to resolve his complaint.

Because no agreement could be reached, the complaint was passed to me to review afresh and make 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.

Having done so, I'm upholding the complaint, for essentially the same reasons given by the investigator on this complaint. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

It's not in dispute that HLAM displayed incorrect information. And I accept as reasonable and likely Mr K's assertion that the dividend date was a significant factor in his decision to buy the investment units he bought in May and June 2024. Mr K continues to say HLAM should pay him the dividend he was led to believe he would receive. However, I don't find that the incorrect information HLAM displayed caused Mr K to miss out on a dividend or to make any other financial loss.

The aim of any award I make for financial loss will be to put Mr K as close as possible to the position he would've been in if HLAM hadn't displayed incorrect information. So in deciding whether Mr K suffered a financial loss, I must consider what he would've done if HLAM hadn't displayed incorrect information. If HLAM hadn't displayed incorrect information I think it would've given Mr K accurate information about the ex-dividend date for the units he was looking to buy.

If Mr K had seen correct information from HLAM on 27 June and 3 July 2024, he would've known he was too late to buy the units in time for the upcoming dividend payment. He would've known the ex-dividend date had been 17 May 2024. Accepting what he's said, I'm satisfied that in those circumstances Mr K wouldn't have bought the units he bought. Had that happened, Mr K would not only have not received any dividend. He also would not have

received the gain he made on the units when he later sold them. So I can't conclude that Mr K is financially worse off for having bought the units if the alternative was simply not to buy them.

The correct ex-dividend date for the units was 17 May 2024. I haven't seen any evidence to suggest Mr K considered buying units in the fund before that date but decided not to on the basis that the ex-dividend date was not until 7 July 2024. But even if I accepted that Mr K did postpone buying the units due to misinformation from HLAM, I still wouldn't be persuaded he'd been caused a financial loss.

An investor buying a fund between distribution dates will generally, as part of the purchase price, pay an amount for the dividend that has accumulated before the purchase date. To have received a dividend payment for the fund he invested in Mr K would've had to pay a significantly higher price to purchase the units. Looking at the price of the fund in the days preceding the ex-dividend date I can't say Mr K would've been any better purchasing the units at that time instead of the time he purchased them. And so I don't find that not purchasing them at that time caused him a financial loss. This means that, whether or not HLAM was responsible for the wrong information it displayed, I won't be making an award for HLAM to make good a missed dividend or other financial loss on Mr K's part.

I do, however, find that Mr K suffered distress and inconvenience as a result of the wrong information displayed by HLAM. He was led to expect he would receive a dividend. And he would've been disappointed and frustrated when he didn't receive one.

HLAM has argued that it can't fairly be held responsible for the incorrect information that was displayed on its website because the factsheet which wrongly listed the ex-dividend date as 7 July 2024 was supplied by a third party. But HLAM has also acknowledged that it provided further wrong information when it communicated to Mr K that the ex-dividend date was 31 May 2024. Although HLAM has said both of these errors were caused by third parties it recognised that Mr K was caused distress and inconvenience and it agreed to pay him £100 in acknowledgement of that. I think it's fair and reasonable for HLAM to take some responsibility for the accuracy of the information it provides on its own website, irrespective of where it sources the information and irrespective of disclaimers provided. And in the particular circumstances of this complaint I'm satisfied £100 is reasonable compensation for HLAM's part in causing distress and inconvenience to Mr K.

Putting things right

To put right the distress and inconvenience it caused Mr K Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown must pay him £100.

My final decision

For the reasons I've set out above, my final decision is that I uphold this complaint. Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown must pay the amount set out above.

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

Lucinda Puls
Ombudsman