

The complaint

Mr H is unhappy with the service that he received from Hargreaves Lansdown Asset Management Limited ('HL') when attempting to make use of their cashback promotion after transferring his pensions to them.

HL have already offered Mr H £150 to apologise but he'd now like them to substantially increase their offer of redress.

What happened

In September 2023, Mr H applied to transfer two existing pensions he held elsewhere to HL's platform; both pots successfully migrated to them on 3 November 2023. HL also received a request to move Mr H's third and fourth pots a short time later.

Between November 2023 and February 2024, HL offered their customers a cashback scheme. The promotion set out that if customers registered for the offer and applied to transfer an existing pension, ISA or general investment account from another platform between 16 November 2023 and 29 February 2024, they'd receive a cash amount after the transfer was complete, depending on the amount transferred.

On 20 February 2024, Mr H contacted HL's help desk to query the cashback offer and to understand if he could benefit. Despite Mr H's transfer applications having been received before their cash back offer started, on 23 February 2024, HL opted him into the promotion as a gesture of goodwill. Within HL's message, they confirmed to Mr H that he would receive his cashback payment within eight weeks from the date that his last qualifying transfer completed.

HL state that when Mr H opted into their cashback offer, they also sent a confirmation email to him on 24 February 2024, confirming that they had opted him in and also provided him with the cashback terms and conditions.

Even though Mr H decided to move four separate pensions to HL, only three of the transfers were eligible for the offer as the fourth transfer was a final salary scheme. Mr H's three pensions were worth a combined total of £398,999.64, so HL determined that he was eligible for £1,500 in cashback.

On 3 April 2024, HL wrote to Mr H stating that the full payment would be paid within 8 weeks of the last transfer, but by 17 June 2024, no payment had been received. So, Mr H emailed HL to complain and asked them to pay the cashback along with a "substantial goodwill gesture". HL responded the following day apologising to Mr H for the delay and suggesting the likely reason was because they'd agreed to include his transfers within the promotion outside of the normal timeframes. To put matters right, HL said that they'd contacted the relevant team to action the request and on 9 July 2024, Mr H's account was credited with £1,500.

Mr H recontacted HL the following day, asking them to look again at his account as he felt that HL hadn't calculated the cashback correctly and that they needed to account for each transfer separately, which would mean cashback of £3,500. HL, however, disagreed and stated that customers needed to transfer a balance of £1,000,000 or more to qualify for that level of cashback. In addition, HL also stated that if a customer transfers more than one qualifying transfer, they wouldn't receive multiple cashback payments, instead, they'd receive one total payment determined by the overall value transferred.

However, HL conceded that they'd not paid the cashback to Mr H within the timeframe that they'd originally set out and, as he'd had to chase them several times for the payment, they were giving him £150 for the inconvenience caused.

Mr H was unhappy with HL's response, so he referred his complaint to this service. Mr H felt that HL's offer of £150 to put matters right was insufficient given the service that he'd received from them. Mr H's complaint was then considered by one of our Investigators. He concluded that from what he'd seen of HL's terms and conditions of the cashback scheme, Mr H had been paid the correct amount. However, he did feel that Mr H had suffered avoidable delays in receiving his cashback payment so the £150 that HL had already offered was fair in the circumstances.

Mr H, however, disagreed with our Investigator's findings. In summary, he said that in his opinion, the view was incomplete and did not reflect the fact that he had to chase HL for payment. Our Investigator was not persuaded to change his view as he didn't believe that Mr H had presented any new arguments he'd not already considered or responded to. Unhappy with that outcome, Mr H then asked the Investigator to pass the case to an Ombudsman 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 have summarised this complaint in less detail than Mr H 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 Mr H 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 Mr H's complaint, I'm not going to instruct HL to do anything beyond what they've already offered - I'll explain why below.

Did HL pay the cashback award to Mr H in a timely manner?

Mr H isn't happy about the length of time that HL took to settle the cashback award. He says that he had to chase HL on a number of occasions to get matters resolved. I've looked at the terms of HL's promotion and it states:

4. The cashback payment will be paid into your Loyalty Bonus Account which is separate from your other HL Account(s). You will receive the cashback payment within 8 weeks from the date that your last qualifying transfer completes.

Looking at the timeline of events, Mr H's third pension transfer completed on 22 April 2024. That meant HL had to pay Mr H his cashback by 17 June 2024, but HL didn't issue the payment to him until 9 July 2024, some three weeks later. It appears that Mr H didn't originally qualify for HL's cashback scheme because his pension transfers had already been submitted before the promotion was launched. HL have said that because Mr H was opted into the scheme on a manual basis, the cashback process, which is normally automated, didn't work in this instance. I think their explanation is reasonable but I can well appreciate Mr H's disappointment in not receiving the cashback award when he thought he would do and his frustration at having to chase HL for his monies.

Did Mr H receive the correct amount of cashback?

As part of the promotion, HL produced a table setting out seven tiers of cashback award based upon the total transfer value of each consumer's transfer(s) to them. Mr H states that he understood each of his three pensions would qualify for their own separate cashback award, meaning that he'd be entitled to £1,000 cashback for the £96,000 transfer, £500 cashback for the £67,000 transfer and £1,500 for the £235,000 transfer. However, HL disagreed and said that the terms of the offer meant that they combined the balances of all pots transferred to determine the level of the cashback earned.

The terms of HL's cashback offer state:

"8. The total value of your cashback will be based on the cumulative total value of qualifying pension transfers made within the Offer Period. The value of the cashback paid will be determined in accordance with the tiers identified in the table accompanying these terms and conditions."

I'm of the view that HL's terms are clear on the matter – rather than each individual transfer qualifying for its own separate payment, HL will combine the total of all transfers under the promotion and apply the cashback award for that band.

As Mr H transferred three qualifying pension schemes to HL, totalling just under £400,000, that meant he fell into HL's sixth band 'transfer values between £125,000 - £999,999' which provided a cashback award of £1,500. As I've not seen any evidence to demonstrate that HL told Mr H anything to the contrary, I'm satisfied that he was not misled on this specific issue. It's clear to me that by opting into HL's scheme, Mr H was agreeing to their terms and conditions, so from the evidence presented to me, HL have awarded the correct cashback amount to him.

Trouble and upset

Using financial services won't always be hassle free and sometimes mistakes occur. HL have already conceded that they didn't issue the cashback payment to Mr H as promptly as they should have done and were it not for the error, Mr H would've received the payment around three weeks earlier. I've looked at the various exchanges between Mr H and HL on this issue and thought carefully about the trouble caused. But I don't agree with Mr H's contention that the inconvenience that's resulted from this specific issue is worthy of a

“substantial goodwill gesture”. HL have already offered Mr H £150 for the trouble caused and offered an apology. Based on what I’ve seen, I’m satisfied that the offer of £150 is fair and reasonable in the circumstances and is at the level I would have instructed HL to pay to Mr H had they not already offered to do so. I therefore won’t be asking HL to increase their offer.

My final decision

Hargreaves Lansdown Asset Management Limited has already made an offer to pay Mr H £150 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 £150 to Mr H if they’ve not already done so.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 19 May 2025.

Simon Fox
Ombudsman