

## **The complaint**

Ms V complains about Hargreaves Lansdown Asset Management Limited (HL). She said she tried to withdraw funds from her account but was unable to. She said HL made mistakes, caused delays and in turn caused her to incur losses. She would like HL to compensate her for this as well as the distress and inconvenience it had caused her.

Ms V has been represented throughout by a friend, who has made submissions on her behalf. I have, for ease of reading, referred to these comments as coming from Ms V as she is the complainant.

## **What happened**

Ms V completed an application for a funds and shares account with HL in December 2015 and it was opened in January 2016. She does not live in the UK, nor does she have a UK bank account.

In October 2023, Ms V corresponded with HL because she wanted to withdraw money from her account. She was informed by HL that the only way to send a withdrawal to her non-UK bank account would be on a one-off basis, with the purpose of closing her account, as stated in its terms. Ms V said she looked to do this and sold various holdings from this time to around the end of February 2024. She then attempted to withdraw her money and HL processed this on 1 March 2024.

Ms V said HL used erroneous bank details. She said HL then held on to her money for months and it took a long time to recover her funds. HL successfully processed a withdrawal on 21 June 2024.

Ms V said HL requested she sell all her shares in order to meet its stipulation about closing the account and a one-off transfer. She said some of these shares had increased in value since. She said the whole process has dragged on for so long and had caused her anxiety and distress.

HL said in response that it had not met the high standard of service it would expect to. HL said Ms V was initially given conflicting information in October and November 2023, and there was then some confusion regarding her nominated bank account. It said Ms V was unable to use a non-UK bank as her nominated one. Ms V's nominated bank account was a HL account and so withdrawals made to this account such as in March 2024, were returned.

HL said in recognition of its mistakes and in particular with it providing conflicting information, it offered Ms V £200 for the distress and inconvenience it had caused. It said it would also keep the account open for the reparation payment of one of her funds, and this could be withdrawn once it arrived, and then her account could then be closed.

Ms V was not happy with HL's response and referred her complaint to our service.

An investigator looked into Ms V's complaint. He said he had reviewed the evidence and didn't think HL had done enough to put things right. He said he reviewed the terms and

conditions on the account and could see it was clear that only a UK bank account could be used as the nominated one.

The investigator said he could see HL had given Ms V conflicting information when she contacted it in October 2023 to try and make a withdrawal. He said Ms V said this led to her selling her shares and therefore she had suffered financial loss, as she said she couldn't wait to obtain a better price or receive dividends. But he didn't agree, he said he could see that HL didn't give any time limits regarding when Ms V had to sell her investments, and it was down to her to choose when to do so. He said Ms V could have transferred the shares if she didn't want to sell them.

The investigator said though that HL made an error, as it ought to have known when it carried out the withdrawal request on 1 March 2024, that the bank details provided was from one of its own accounts. He concluded it could have resolved matters from this date, and so he was persuaded the withdrawal request could have been made a lot sooner, but for this error.

The investigator recommended that HL pay 8% simple on the amount Ms V was looking to withdraw on 1 March 2024 to 21 June 2024, when the withdrawal did eventually take place. He said it should also pay Ms V a total of £300 for the distress and inconvenience caused.

HL accepted the investigator's recommendations on 23 September 2024 and said the outcome was fair. Ms V was not in agreement with the investigator's view. She replied through her representative on 15 October 2024. They provided these additional comments:

- Ms V said in August 2018 HL invited her to make withdrawals to her non-UK based account on an ad hoc basis.
- No announcements were made by HL to European clients to the effect that they could no longer be HL clients, unless they opened a UK bank account.
- She agreed that she could have sold her investments at any point but until HL accepted she was a genuine client she could withdraw nothing.
- She only liquidated her stock because HL said they had validated her account in October / November 2023. She said any compensation with interest should date from then.
- She asked why it took HL a further seven weeks to respond to Ms V's complaint considering the amount of time it took for the withdrawal to happen. HL offered compensation on 13 May 2024, but it took a further 42 days past this point, for the withdrawal to reach her account.
- She believed the compensation offered was meagre considering the incompetence shown by HL resolving this issue.

Because the parties are not in agreement, Ms V's complaint has been passed to me, an ombudsman, to look into.

### **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.

What is left in contention between the parties, is whether HL has offered enough in compensation to Ms V and whether it should do more to put things right. There are 3 issues that I have looked at in relation to this. These are: whether Ms V incurred any investment related losses, whether HL should pay any interest on the amount she eventually received as a withdrawal and finally whether HL has caused Ms V distress and inconvenience, and if so how much it should pay her.

Ms V said that she sold her shares and funds, because HL in October and November 2023 told her that her bank account was validated and so she was liquidating in readiness for a withdrawal. I do agree with what has been concluded to date, I think Ms V sold her shares and funds when she chose to and that she had options to either keep them a bit longer or transfer them to another provider if she felt that she wanted to keep them. There was no time restraint placed on her by HL and she was free to choose when she sold her shares. I note from the email exchange from the parties, that Ms V did this. I can see she decided to hold off and wait until February 2024 for example, to sell her shares in Lloyds and did so after it released its results.

I am satisfied that Ms V sold her funds and shares when she did, because she wanted to withdraw the money and not because she was told by HL that she needed to do so because she had to close her account. I also agree that if Ms V did want to keep any of her shares, she could have held onto them for longer or transferred them to another provider. For this reason, I don't think it would be fair to ask HL to compensate her for any investment losses, as she decided when to sell her investments and had her own reasons why she was doing so.

Moving on, I can see Ms V has had a long-standing issue with withdrawing funds on her account. I can see on her initial application form completed in 2015, that she put down a HL account as her nominated bank account. I don't know for sure if it had always been the case, that HL required a UK only bank account as the nominated one for withdrawals, but I can see that Ms V never had a non-UK account agreed as her nominated one with HL. This has, I think been at the root cause of all of the issues she has experienced with HL over the years, when it has come to her trying to withdraw funds.

So, when HL said to Ms V that her account was validated in October 2023, it was referring to its own HL account, that had been recorded down over the years as Ms V's nominated bank account. I think this was an error from HL as it ought to have known that things were going to go wrong when she put in her withdrawal request. That said, I don't agree with Ms V's representative that any compensation here should start at this point. After all, before the withdrawal could take place Ms V had the choice and time to sell her investments and this is what she did, from this point up until 1 March 2024, when HL was able to process the withdrawal request.

I can see that HL ought to have carried out Ms V's withdrawal on 1 March 2024. It instead transferred the funds to its own account, and it was duly returned. As I have already said, HL ought to have known the nominated bank account details held on Ms V's account were erroneous and dealt with this issue before it transferred the money to itself. So, I think based on what I have concluded, 1 March 2024 is a fair and reasonable date that HL should pay Ms V interest from. Ms V has been denied use of her money from 1 March 2024, when HL ought to have paid the money to her, to when she eventually received the funds on 21 June 2024. So, I think HL should pay Ms V interest at 8% per annum for this period.

Finally, Ms V has clearly suffered distress and inconvenience as she has tried to get her money withdrawn from her account. She has told our service why she needed the money and that she needed it a lot sooner that she received it. I have empathy for her and understand that HL's mistakes would have caused her distress and inconvenience. That said, I also need to consider that part of the delay was not caused by HL's mistakes, but rather Ms V was deciding when to sell her shares and picking the moment to do so.

After considering all of the circumstances of Ms V's complaint, I can see HL's mistakes did cause an additional delay of around 3 months and it also sent conflicting information to her. I think in consideration of this, HL should pay Ms V £300 for the distress and inconvenience

it has caused her. I have taken into consideration the additional points that Ms V's representative has highlighted.

I appreciate that my decision will be disappointing for Ms V, as through her representative she has described the recommendations as meagre. But based on everything I have read and the findings I have given, I think by carrying them out, HL will put things right here.

### **Putting things right**

In all the circumstances of Ms V's complaint, I think HL should do the following to put things right:

- Pay 8% simple interest on the withdrawn money, from 1 March 2024 when it should have carried out the withdrawal request to 21 June 2024, when it did so.
- Pay £300 to Ms V for the distress and inconvenience it has caused her.

### **My final decision**

My final decision is that I uphold Ms V's complaint about Hargreaves Lansdown Asset Management Limited. I direct Hargreaves Lansdown Asset Management Limited to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 8 April 2025.

Mark Richardson  
**Ombudsman**