

The complaint

Mr A complains that IT issues within Hargreaves Lansdown Asset Management Limited ('HL') prevented him from undertaking time critical trades on his leveraged instruments that then resulted in an avoidable financial loss.

Mr A would now like HL to reimburse the £120,000 that he says he's lost as a consequence of their IT failings.

What happened

In May, July and August 2024, Mr A encountered technical problems whilst trying to trade Leverage Shares plc 3x NVIDIA ETP GBP through HL's mobile app. On each occasion, he was prevented from trading as a result of an error message that stated the Key Information Document (KID) was unavailable. In July and August 2024, HL placed a deal for Mr A over the telephone to assist him.

Mr A decided to formally complain to HL. In summary, he said that he'd been put at a disadvantage by their app providing inaccurate information about the KID being unavailable. He also said he was unhappy that their app prevented him from undertaking the transactions that he wanted, when he wanted. After reviewing Mr A's complaint, HL said in summary:

- They cannot guarantee the availability of trading via their online service. And, should an error occur, they encourage customers to utilise another trading format.
- They had reviewed the telephone call that Mr A had made to their telephone dealing desk on 11 July 2024. Whilst they accepted the deal could have been placed more efficiently (as the call had taken over 10 minutes), having looked at the instrument price over that time period, the offer price that was actually achieved worked to his advantage. In addition, Mr A benefited from the lower dealing charge despite the fact that he'd used their telephone service.
- They were offering £100 for the inconvenience caused, which had been arranged to be credited to his nominated bank account. HL later offered to increase the £100 to £150 in an attempt to try and resolve matters.

Mr A was unhappy with HL's response, so he referred his complaint to this service. The complaint was then considered by one of our Investigators. She concluded that HL had inconvenienced Mr A. In addition, she also said in summary:

- Having listened to the call recording on 11 July 2024, she felt that HL's helpline operative could've acted more promptly in trying to resolve Mr A's trade request.
- During the call to HL's helpdesk on 13 August 2024, they were able to assist him placing his trades over the telephone.

- When he opened his account with HL, he'd agreed to their terms and conditions which explained that they couldn't always guarantee their online offering would be available. That meant they couldn't be held accountable for any losses incurred.
- In light of the inconvenience that Mr A had experienced, she felt that HL should increase their compensation from £150 to £250, which in her opinion better aligned with this service's compensation guidelines for distress and inconvenience.

Mr A, however, disagreed with our Investigator's findings. In summary, he said:

- He was blocked from executing critical trades despite the KID being available.
- The alternative trading methods (website and telephone) were also unreliable or delayed.
- The delay between his initial attempt to trade online and the eventual telephone trade was where his losses occurred.
- HL's system provided false information that directly prevented him from trading.
- HL's unreliable platform forced him to alter his trading behavior, such as making trades when there was system availability rather than market conditions.
- His financial loss was avoidable as HL's platform failures prevented him from managing that risk appropriately.
- HL's unreliable platform resulted in a £120,000 loss that was entirely preventable.
- The psychological and emotional impact is still ongoing and the offer of £250 is completely inadequate.
- To put matters right, HL should substantially increase their offer of compensation.

In addition, HL also responded to our Investigator's view explaining that they didn't believe the increase in the trouble and upset award from £150 to £250 was fair. HL went on to say that they were of the view that given their operatives had attempted to assist Mr A when he contacted their helpdesk, the £150 in the circumstances was in their opinion, fair.

Our Investigator was not persuaded to change her view as she didn't believe that Mr A or HL had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, both HL and Mr A 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 A and HL have 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 A 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 A's complaint, it's largely for the same reasons as our Investigator and I won't be instructing them to do anything beyond what she's already set out - I'll explain why below.

In his correspondence with this service, Mr A has made reference to the fact that he encountered the inability to trade the specific instrument in question on HL's app as early as May 2024. However, from what I've seen, it would appear that HL weren't able to accept instructions on the investment for a very brief period of time because they were waiting on receipt of the new KID from the product provider following a stock split and as such, couldn't undertake trades for their customers on it until the KID became available. So, in that particular instance, I don't think HL have done anything wrong because the regulator, the Financial Conduct Authority (FCA), expects platform providers to make KIDs available to investors prior to accepting their instruction to invest.

HL have explained that whilst the KID wasn't available for a small window in May 2024, it was available shortly thereafter but an intermittent error on their app in July and August 2024 suggested that it wasn't. It's that problem which prevented Mr A from undertaking the trades he wanted.

So, I've gone on to look at the occurrences of the problem in July and August 2024 when Mr A states that he wasn't able to trade.

I've looked closely at HL's terms and conditions – these set out what each party can expect from one another during the relationship. They're normally provided at account opening and are then updated on a regular basis throughout the course of the time Mr A continues to use their services. On page 4 of HL's terms, it states:

"A12 – availability of the HL Service

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. We may also at our absolute discretion suspend the operation of the HL Service, including our Online Service and/or telephone and/or postal services where we consider it necessary."

There are further disclaimers about when and why the service might become unavailable. So whilst I think it's important to make the distinction that HL's app was working, it was an error within the app (the inability to access the KID) that prevented Mr A from undertaking his trade. However, I don't think that distinction makes a difference to the outcome of Mr A's complaint because the wording of HL's terms don't offer any warranties that trading within the app will always be available.

Having thought about what that section says, I can't reasonably conclude that the term is unfair. I say that because whilst I well suspect HL will do its utmost to ensure that their app and website are available and working as intended, modern technology sometimes glitches, fails or needs to be updated. So, I don't think it would ever be possible for HL to provide a warranty to its customers that their app, website and telephone service will be available and fault free 100% of the time. But, in any event, it's in HL's commercial interest to make sure their online offering is available for the maximum period possible because I well suspect when it's not, it costs them money.

I've gone on to listen to the telephone calls that Mr A had with HL.

Telephone calls of 11 July 2024

Call 1 at 8:49am (2 minutes 35 seconds)

In this call Mr A explained his situation, completed security and was then passed through to a different colleague.

Call 2 at 8:52am (14 minutes 10 seconds)

This call appears to have been with their IT support team. During this call, HL explained that in using the telephone dealing service, there would be a charge of 1% of the trade instead of the normal online dealing rate. When Mr A questioned that and asked for the online price, HL's operative explained that she'd need to get permission to honour the lower rate. From the time HL's operative placed Mr A on hold to the point that she then passed him through to their dealing desk was 11 minutes. Mr A wished to trade in a leveraged high-risk instrument that by its very nature, can be price volatile. I don't think an 11-minute wait in the circumstances is reasonable. However, it seems to me that HL have accepted this within their complaint resolution letter to Mr A and confirmed that he didn't suffer a financial loss as a result of the time taken to process the trade.

Telephone calls of 13 August 2024

Call 1 at 10:00am (8 minutes 58 seconds) – in this instance the operative undertook the trade for Mr A and didn't need to seek permission to offer him the online rate.

Call 2 at 10:09am (26 minutes 55 seconds) – this is where Mr A sought information about stop losses and his lifetime ISA. During the call between the dealing desk and the specialist team, the dealing desk operative explained that he'd given Mr A the online dealing commission rate because he'd noticed that he'd made an earlier complaint. The specialist team operative then explained that he was aware that there was an issue with KIDs refusing to open on their app but explained that they did work on the website. Further information was obtained about the lifetime ISA and stop losses, and this was shared with Mr A.

Call 3 at 12:06pm (2 minutes 11 seconds) – Mr A telephoned in to make a buy transaction. He explained that he'd called in after trying to make the transaction on their website after being told earlier in the day that it would work but then found it wouldn't.

Aside from call 2 at 8:52am on 11 July 2024, it seems to me that HL responded promptly and courteously to Mr A. I did very much gain a sense of how frustrated Mr A was with HL's technology in not allowing him to undertake the transactions he wished when he wanted to because of the KID issue. I also think his frustration was clearly articulated to HL's operatives too.

Using financial services won't always be hassle free and sometimes the services we'd like to benefit from aren't always available. And, whilst I'm upholding Mr A's complaint, I'm not going to instruct HL to pay him the £120,000 that he's asked for. That's because I'm of the opinion that HL's terms do make very clear that their online services might not be available at all times and when Mr A approached HL, they were able to help him complete his transactions over the telephone when he wished. But, this does appear to be an ongoing issue (which he has brought to their attention on a number of occasions) and which HL haven't remedied in a timely manner. It's clear from listening to the internal call between the two HL colleagues that certain teams within HL are well aware of the issue. And, despite what Mr A was told about being able to use HL's website to bypass the KID issue, that proved to be inaccurate direction.

Trading in leveraged investments is inherently risky, so being able to do so in a timely manner and knowing the technology will work is crucial. Whilst HL signposted their website when their app didn't work, that option failed too. And, as I've already explained, I think HL caused Mr A unnecessary anxiety when they took too long in organising his trade in July 2024. So, in light of the inconvenience that HL have caused Mr A, I require them to pay him £250. I'm satisfied that amount is fair and reasonable in all of the circumstances. If HL have already made a payment to Mr A (of the £150 they offered), they can take that into account when paying him the £250. So, that means they should pay him a further £100.

My final decision

I'm upholding Mr A's complaint and require Hargreaves Lansdown Asset Management Limited to put things right for him in the manner that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 October 2025.

Simon Fox
Ombudsman