

The complaint

Ms H complained about Hargreaves Lansdown Asset Management Limited (“HL”). She said she had trouble selling her shares online. She said if she didn’t encounter the problems with HL’s app and online portal she would have received more back. She would like HL to compensate her for this.

What happened

Ms H has a trading account with HL. On 9 February 2024, there was a market announcement in one of the companies that she held shares in called Hemogenyx Pharmaceuticals Plc (HEMO). The company announcement about consent being provided on one of HEMO’s drugs, led to a busy and volatile opening on that day, with many people looking to trade the shares.

Ms H decided to sell her holding in HEMO and tried to access the app to do so. She said she received an error message, and couldn’t log in. She said she switched over to the online portal and managed to get access to her account but when she tried to make the trade, she received a message back saying she had insufficient funds.

Ms H said she called HL about both issues but was told by a HL representative that resolution to her complaint would take around 8 weeks, and that in these sorts of circumstances, HL would backdate a trade. So, Ms H didn’t sell her shares at this point and waited to obtain a response from HL about it.

HL initially responded to Ms H’s complaint on 4 April 2024 and said that after looking at everything it was not responsible for Ms H not being able to access to her app or being able to make a trade on its online portal. It said Ms H put in a comma in her instruction and this caused it to not go through. It said it did recognise that it didn’t handle her complaint as well as it should have and offered her £100 compensation for the distress and inconvenience it had caused.

Ms H was not happy with HL’s response and said putting a comma in her sale instruction made no difference and, if this was the only issue, it should have gone through. She said due to HL’s errors, she was unable to sell her shares and she lost out. She complained to HL again about this.

HL responded again on 22 April 2024, and this time provided a more comprehensive response about what it felt had happened. It said by 0800 Ms H was logged into its website. It said in the first few minutes of trading, she received a number of failed quotes.

HL on this occasion explained why it felt the failed quotes happened. It said it was because Ms H instructed it to sell a monetary amount and the price of HEMO in the market was moving quickly in this period. It said given that the instructed monetary value couldn’t be realised, the trade couldn’t proceed, and this is why she saw an ‘insufficient funds’ error.

HL said Ms H then called its helpdesk at 0806. It said when she did this, quotes from this point were not available on the market, and only were able to be obtained from 0814. It said

that Ms H not being able to obtain a quote in the market, and also not being able to put a successful instruction through, were not issues that it was at fault for or that it would consider putting things right for. It said, in a fast-moving market a live quote can be difficult to obtain.

HL said however, that it recognised it had fallen short with the way it interacted with Ms H from the point she contacted its helpdesk. It said one of its representatives said in error, that in circumstances like Ms H's, it would look to back date trades at the missed price. HL said it gave Ms H wrong information here, as it hadn't looked into her circumstances at this stage, so were unable to say whether it would have been prepared to back date her trade.

HL said it could see Ms H ended her calls to it on 9 February 2024, with the wrong information that her complaint would take 8 weeks and at the end of it she would have her trade back dated. It said it could also hear that Ms H wasn't informed that she may want to sell her shares and mitigate her losses. It said it should have made it clear to Ms H that she may wish to sell to mitigate her losses, as the outcome of her complaint could be that it wouldn't be able to back date her trade.

HL said it was sorry for the mistakes it had made here, and it offered to put things right. It said it would pay £500 overall for the distress and inconvenience it caused. It said it would also back date Ms H's trade to 0832 at the point of the phone call, where it thought its adviser ought to have advised Ms C to mitigate her losses. It offered Ms H a mid-price between the bid offer spread at that time of 4.75. It said it felt its offer was fair and reasonable.

Ms H was not happy with HL's response and referred her complaint to our service. She said it should back date its offer to earlier in the day, to 0805, as the issue was about her not being able to get in to make the trade in the first place. She said it was HL's app and trading portal that were the issue here, and if they were working properly she would have made her trade much sooner. She complained to our service about it.

An investigator looked into Ms H's complaint. She said she didn't think HL had acted fairly. She said HL had provided Ms H with poor service although she acknowledged HL's recognition of the distress and inconvenience it had caused and its payment of £500.

The investigator said she disagreed with HL. She said when Ms H called at 0814, HL were aware of her intentions to sell her shares. At that point, she said, it should have helped her place a deal on the phone and discussed the problems with the online trading platform after. She didn't think HL treated ML fairly.

The investigator felt HL could have secured a better price than its offer to back date using a price of 4.75p. She said she reviewed HEMO transactions on 9 February 2024 and could see the next transaction placed after Ms H called at 0814, was at 0817 with a price of 5.47p. She said it would be equitable for HL to honour this price, instead of what it offered.

The investigator concluded HL didn't cause any errors with its app or trading platform and it wasn't due to any faults from it in this regard. But she said, the representative should have helped Ms H place a deal immediately to mitigate the risk of further loss, especially as the share price was fluctuating so much. She said HL should back date to the price Ms H would have got at 0817 which was 5.47p. She said HL should pay the difference between 4.75p and 5.47p.

Both parties were not in agreement with the investigator's view.

On 24 July 2024, Ms H replied and said she was unsure as to why the investigator had chosen 0814, as the time HL should backdate the trade to. She said if HL's app or trading

portal had worked, she would have been able to sell her shares at market opening, and at least at 0805.

Ms H said HL confirmed on the phone that there were data issues, being the reason why she couldn't sell. She felt the price should be backdated to 0805 and closer to when the stock started trading.

Ms H said there were errors on HL's side and not the reasons given by it for the trade not happening. She said it was not due to a comma, data feed issues or that there was nothing stopping her making the trade.

On 12 August 2024, HL replied and said it didn't agree with the investigator's view. It said when Ms H contacted its helpdesk, she did so to raise issues with its app and trading portal. It believed in dealing with these issues, its representative acted appropriately. HL said if Ms H sought to trade urgently, she could have contacted the dealing desk directly and it would have remained open to her to do so.

HL said the price the investigator has asked it to compensate Ms H with, was not the bid price at 0817. It said it has reviewed the times and the bid-offer spread was 4.5p-5.5p at that time. It said, in addition the number of shares Ms H was trying to sell was substantial for the stock in question. It said there was no guarantee she would have received the touch price. It said according to its software the selling price at 0817 for stock her size was 4.33p, taking into consideration the number of shares she was trying to sell in one go. It said in light of this, its offer of 4.75p was fair and reasonable and put Ms H in a better position than she was in but for its mistakes.

I issued a provisional decision on this complaint on 30 January 2025. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"The crux of Ms H's complaint as I see it, is that she couldn't make her trade, when she wanted to. She tried to log on to HL's app and then its online portal for the start of trading on 9 February 2024, to sell all of her shares in HEMO, and she wasn't able to execute a trade when she wanted to.

The share price was volatile from market opening, due to a market announcement by the company. Ms H tried to log into HL's app for the start of trading to sell her shares. She said she couldn't gain access to her account and then couldn't execute the trades, once she got into the trading portal. She said HL's errors meant she lost out, as she couldn't sell the shares at a higher price earlier in the morning.

I have looked into this as there is still disagreement between the parties about what happened. Ms H maintains that the app and then the online portal produced errors, and it was this that stopped her selling her shares. HL on the other hand said there were no errors here and provided its explanation as to why Ms H was unable to successfully make her trade.

First of all, I acknowledge what Ms H has said about HL changing its explanation about why she was unable to make her trade. I understand this would have been a source of frustration for her. That said, on balance, I am persuaded by what it has now explained was at the root cause of her being unable to successfully make the trade happen, before she called its helpdesk.

To begin with, Ms H was unable to get into the app and although HL said there were no bugs or faults here, it doesn't matter so much as to why or what happened here to the

outcome of Ms H's complaint, because it seems that Ms H was able to get logged into the online portal by 0800. So, she was able to, in theory at least, make a trade at market opening. So, the issue was about whether she could have made a trade at this point, and whether there was an error on the online trading portal.

HL has explained that Ms H put in a monetary value into its system when she tried to sell her shares, but due to the price changing, or more to the point, the price falling, the amount she put in was higher than what her shares were worth. So, when she went to execute the trade, HL's system wouldn't allow it. It showed an error message that she had insufficient funds. But in reality, it was that the amount she put in, didn't match what her shares were worth. I get how this could have happened, when the market was busy and volatile, as trading in HEMO was that morning.

So, with this being the case, and in conclusion, I don't currently think, based on what I have seen and read, that an error on HL's online trading platform was at the root cause of Ms H not being able to put in a successful instruction to sell her shares before she contacted its helpdesk. I think it was more likely that the monetary value she put in, didn't match the value of her shares, as the volatile share price was falling, mid instruction. So, I don't uphold this part of Ms H's complaint for this reason. I don't currently think HL treated Ms H unfairly up to this point, or that it was responsible for any errors in its trading online portal.

That said, HL has admitted it made mistakes. It said when Ms H called its helpdesk asking for help, its representative gave incorrect information and this led to her believing that she would have her failed trade, back dated but that she would need to wait for 8 weeks for this to be looked into and arranged. It said it then went on and didn't uphold Ms H's complaint. It said this wasn't fair and it made an offer to put things right.

I have looked at what happened when Ms H called HL's helpdesk and can see that it did make mistakes here. The service given to Ms H clearly didn't help in that moment. The representative for starters, wouldn't have known the outcome of any complaint investigation, so it would have been unclear at that point how things would have been resolved. This then led to confusion, and understandably Ms H was reluctant to sell her shares, not knowing what HL was prepared to do for her.

In addition, Ms H was not informed that she may want to consider mitigating her risk, because there was the possibility that HL wouldn't put things right for her, if it found within its investigations that it wasn't at fault. All in all, I currently think the service provided to Ms H by HL's helpdesk caused her detriment, and so I can see why HL wanted to put things right here. I would have asked it to do so, if it hadn't made its offer.

I have gone on to consider what our investigator concluded. She said HL ought to have arranged for Ms H's trade to happen straight away and then dealt with the apparent system errors later. HL said its representative didn't do anything wrong here as Ms H was calling its helpdesk, to report errors in its system. I'm not sure I agree with HL here. Ms H would have explained the reasons for her call, and I think it would have become clear that she wanted to sell her shares and her request was time sensitive. So, I do understand why the investigator drew her conclusion about this.

That said, I don't need to make a finding about this, as I don't think it makes any difference to the outcome of Ms H's complaint. This is because I currently think on balance that HL's offer is a fair one. I say this because it has offered to back date the sale of Ms H's shares at the midpoint between the bid and offer price at 0832. By offering a midpoint price, it has in reality provided compensation that is better than putting Ms H back in a position she would have been in but for its mistakes. And I don't think it matters whether the helpdesk ought to have helped sooner, because, on balance, I don't think Ms H could have obtained better

than 4.75p at any time between 0817 and 0832, when HL thinks it ought to have helped Ms H sell them.

HL has pointed to the bid price during the period of time in question, and I can see that this was lower than 4.75p offered by HL. In addition, I do also think it has a point about the significant size of Ms H's holding and the number of shares she wanted to sell that morning. It has provided a screenshot from its system at that time, that showed she would've had to have taken overall, a lower bid price to sell them all. I am persuaded by what HL has said and has provided to our service about this.

In conclusion, I don't currently think HL were responsible for any error on its app or trading platform before Ms H called it. This means, I don't think it would be fair to ask HL to backdate a trade before 0817, the next available time that a trade could have happened after she called it. I also think HL's offer to back date Ms H's trade so that she receives 4.75p per share is fair and reasonable. This is because I don't think in reality, Ms H would have been able to achieve a higher price than this, during the time she was on the phone to HL about her trade, between 0817 and 0832.

HL's offer of £500 to Ms H I think is also fair and reasonable. It made mistakes and this caused Ms H distress and inconvenience, in particular by it providing incorrect information and prolonging the issues that she had with her trade, by many weeks. It's similar to the amount I would have awarded, in the circumstances of Ms H's complaint.

Overall, I think HL's offer is a fair one and I won't be asking it to do anything further. I understand HL has already paid what it offered, to Ms H, so it doesn't need to do anything more.

I know it will be disappointing for Ms H and I understand what she has said about the morning that she tried to sell her shares, and the frustration she felt in not being able to do so. But it follows after what I have concluded that I don't currently uphold her complaint, as HL has already, through payment of its offer, resolved things, I think in a fair way."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Ms H responded on 11 February 2025 and disagreed with the outcome of my provisional decision. She said there were points that I made in my decision that were not correct. These being:

- She didn't just put in a monetary amount when she tried to sell her shares in HL's portal. She said there were three ways to sell the shares these being 1. Sell the entire holding 2. Sell a specific number of shares and 3. Sell by stating a monetary value. She said she tried all 3 options, in that order. She said in the 15 years of using the HL app, she always opted for the 'number of shares' option as it was static. She said the comment by HL about this was completely incorrect and untrue. She said the insufficient funds error appeared regardless of the number of shares she tried to sell. She tried all 3 options for completeness and all failed. She said it was incorrect when I said she could make her trades "in theory".
- She said HL confirmed to her there were errors on its platform when she called them and the reason, she couldn't sell was due to "data feed issues". She said HL were not honouring the 0805 price which was higher, or the price at 8.17 which was 5.47p.

- She said HL should compensate her using the price when the issues with its trading platform occurred.
- She said she could have sold the shares at 0805 if there were no issues with HL's app. She said she could see data provided by the London Stock Exchange that there had been sales since 8.05 that morning. She said she spoke to other brokers who confirmed that there were sells from 0805 that morning ranging from 6.3p to 7.1p. She said volatility did not stop sells, large or small. She said despite having a circa £43k holding, she couldn't even sell £1000 worth of her shares due to HL's error. She said she knew something was wrong with the app as nothing was working as it should.
- She said in summary, HL agreed to backdate the trade to when the problem started and confirmed it had "data feed issues". She said it was unfair that she should accept the price offered by HL, when it had admitted to her that there were problems with its online trading platform.
- She said in addition, the share sale dragged on and she had to wait 15 weeks instead of the 8-week period HL told her she would have to wait. She said there were numerous emails and phone calls that she had to make during this time. She said she had incurred losses of almost £10,000 and has also missed the opportunity to have her funds for almost 4 months.

Hargreaves Lansdown responded on 31 January 2025 and said it accepted the findings in my provisional 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.

First of all, I would like to thank Ms H for her submission and for the consideration she has given to my provisional decision. She has been very clear about what her position is: that it was errors caused by HL on its trading platform that stopped her from being able to sell her shares. She also considers that HL should backdate her trade to 0805 on the morning in question for this reason.

I understand what Ms H is saying. She thinks HL has caused her losses because of errors that she said she encountered on its trading app. She has gone on to explain how HL should put things right. The issue here though is that HL disagrees with her.

HL has refuted that its trading platform had any errors on the morning in question. It said, it gave her incorrect information when its staff said there were data feed issues. It said due to the volatility in the market on that morning, Ms H would have found difficulty in selling her shares when she wanted to, and this was not uncommon when shares are heavily traded. It also said Ms H put in a monetary amount, although Ms H has said she tried all of the options available.

So, although I understand why Ms H has made the comments she has, it is not the case that HL has admitted its system caused the error. It hasn't. I have had to decide about this, and because I don't ultimately know what happened when Ms H logged on that morning and tried to sell her shares, I have needed to do so on the balance of probabilities, using what I do have in front of me about this.

HL has explained to our service that it was conceivable Ms H couldn't have got a price before she called, and this was not due to any errors with its trading platform. It said the main factors to be considered in Ms H's complaint were that its service was not guaranteed, nor was any live price in any given moment. It said an online price may not have been obtained by Ms H because either the stock was in auction or was moving quickly, and this sometimes happens in a state of market or stock volatility.

I have again considered what both parties have said and find it hard to move away from the statement made by HL that its trading platform did not have any errors recorded when Ms H attempted to make her trades. It has also provided a plausible explanation about why Ms H was unable to obtain a price and trade, before she called its help desk. I can see that the shares in question were volatile and heavily traded that morning. Other than HL staff telling Ms H on the phone that it was a data feed issue, that HL has since clarified was incorrect, I haven't seen enough that supports Ms H's stance that it was a system error that stopped her from selling her shares on the trading platform before she contacted it. I appreciate Ms H said she received a message saying she had insufficient funds, but this in itself is not enough to persuade me that HL's system was at fault, for her not being able to carry out her trade.

So, because of what I have found about this, I am not deviating from the decision I made in my provisional decision. On balance, I don't think I have seen enough that I can safely conclude there was a system error when Ms H tried to sell her shares on 9 February 2024, rather it was more likely the case that she tried to sell in a volatile market and wasn't able to obtain a price from HL at that time.

I appreciate Ms H will not be happy with the decision I have made about this, and I know she has strong feelings about what happened but based on what I have in front of me, on balance, I don't think I can say that it went the way Ms H said it did, when she tried to carry out the trade.

Moving on, HL did make mistakes here and I do empathise with Ms H, in how it has dealt, initially with her request for help and then latterly her complaint. Ms H said the sale dragged on and she had to wait 15 weeks for HL to arrange for this to happen. She said she had to send numerous emails and make several phone calls. I can see this would have been stressful for her to have to deal with. I also agree with her that HL changed its explanation at the start and during her complaint about what happened, and this would have only added to her frustration.

In addition, HL admitted it ought to have said to Ms H, that she may like to think about mitigating her losses, during the phone call that she made to it. It was on this basis that it made the offer to back date her trade to 0832 and use a mid-price of 4.75p to compensate her with. It also offered to pay her £500 for the distress and inconvenience it caused. I again, think its offer is fair and reasonable, in all the circumstances of Ms H's complaint and I have not read anything that persuades me otherwise. The findings in my provisional decision about why I think HL's offer to back date her trade was a fair one, still stands, I do still think that it ought to have paid Ms H for the distress and inconvenience it caused her and £500 is similar to an award I would have made here.

HL has told us that it has back dated the trade and paid the compensation to Ms H that it has already offered. So, with this being the case, I don't require it to do anymore. It follows, that I don't uphold Ms H's complaint.

My final decision

My final decision is that I don't uphold Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 25 March 2025.

Mark Richardson
Ombudsman