

The complaint

Mr M complains that Hargreaves Lansdown Asset Management Limited (HLAM) unreasonably delayed paying income from his SIPP. This was the second occasion where he'd experienced delays and poor communication when trying to withdraw funds.

What happened

Our investigator set out the background to this complaint, I've included an amended copy below for ease of reference:

Mr M's complaint is focused on the delays he experienced when transferring his SIPP to drawdown. Specifically, he is dissatisfied that:

When he submitted his drawdown request, HLAM initially indicated a processing time of 10 to 15 working days.

He later discovered that processing times had increased to 25 to 30 working days, and this change had not been proactively communicated to him.

As a result of this delay, he was unable to access his 25% tax-free cash within the timeframe he had originally expected.

He believes HLAM should make improvements to its system so that customers receive more accurate and up-to-date timeframes at the point of application.

On 13 November 2024 Mr M submitted his request for a SIPP to drawdown transfer. At that time, HLAM's stated processing timeframe was 10 to 15 working days.

On 26 November 2024 Mr M contacted HLAM for an update. During this interaction, he was informed that the expected processing time had been revised to 25 to 30 working days due to a backlog in applications.

On 6 December 2024 the drawdown transfer was completed, and Mr M's 25% tax-free cash payment was released.

On 12 January 2025 HLAM issued a final response, apologising for the delays and offering £100 in recognition of the inconvenience caused.

On 2 February 2025 HLAM provided a further response, increasing the compensation to £150 after further consideration of his concerns.

Mr M didn't accept this offer, commenting that HLAM was more likely to listen to our service than him and update their communications.

Our investigator looked into matters and concluded that the £150 was sufficient compensation for the trouble and upset caused.

Mr M didn't agree he felt more compensation was applicable given the multiplying effect on

him of the business' errors having been repeated.

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.

And having done so I agree with the outcome reached by the investigator and for broadly the same reasons.

As I touched on in the linked complaint, our service cannot tell HLAM to fix their communications or change their processes, we can only look at the impact of any error on the customer. I completely understand Mr M's frustration about HLAM not meeting their service standards and changing the timescales after requests for payment have been made. In this particular situation, the payment was made after 18 working days, three more days than the initial expectation HLAM set of up to 15 working days when Mr M made the request. And this was already a five day increase on the expectation given in the past of 10 working days.

So I can understand why Mr M is concerned and frustrated about the increasing and inconsistent turnaround times for payments – especially as he is making withdrawals as a substitute for his income. However, HLAM has offered £150 for the trouble and upset this has caused him which I think is fair and reasonable in the circumstances. Mr M hasn't alleged any financial loss and it doesn't appear any has occurred. So whilst I understand he's been frustrated, had to chase for information and been given inconsistent timescales, I don't think a further award is required here.

Mr M has said he thinks he should be given more compensation because he's experienced these same issues more than once. And presumably therefore, he's saying the frustration is amplified and I can understand that argument. But whilst these two complaints are being dealt separately, across them Mr M has received £300 for two delayed payments and poor communication, I don't think that is a bad outcome for him. And I think it is sufficient compensation and broadly in line with our award guidelines.

Whilst we cannot do more for Mr M in terms of improving the service he receives which in part prompted this complaint, HLAM says it is trying hard to improve turnaround times. And as Mr M mentioned, he does have the opportunity to move his SIPP elsewhere if he remains unhappy with the service provided by HLAM. And of course, he can complain to it and ultimately us if delays occur in the future.

I note Mr M says he is £50 short in terms of the compensation paid by HLAM and there appeared to be some confusion when the investigator checked this with HLAM. But I've checked the various communications and in relation to the other complaint it offered £150 and in relation to this it offered £100 and a further £50. It seems £50 of which hasn't yet been paid as Mr M didn't accept this – so if this remains outstanding HLAM needs to make this payment. As I, like the investigator, have agreed that its offer was fair on the understanding that £150 was offered for this complaint (and the other one, so a total of £300 across the two complaints).

My final decision

For the reasons explained I make no further award, Hargreaves Lansdown Asset Management Limited offer of £150 to settle the complaint is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 27 August 2025.

Simon Hollingshead
Ombudsman