

The complaint

Mrs B complains that Hargreaves Lansdown Asset Management Limited didn't follow her instructions to switch her ISA investments to new funds. She says the delays and poor handling left her with a reduced fund value.

Mrs B is represented by her husband, but for ease I will refer to all actions as being those of Mrs B.

What happened

Mrs B held an ISA account and Fund and Share account with Hargreaves Lansdown Asset Management Limited (HLAM). She raised a number of complaint points about specific fund switches which they failed to execute correctly as well as her poor customer service experience.

Her key complaint points are:-

1. A delay in completing a fund switch from:-
 - a. the Janus Henderson Emerging Markets Fund to the FSSA India Subcontinent All-Cap Fund,
 - b. the Sanlam Global Financial Fund to the T. Rowe Price,
 - c. the Templeton Asian Smaller Companies Fund to the WS Morant Wright Nippon Yield Fund,
 - d. the Guinness Sustainable Energy Fund to the WS Blue Whale Fund and T. Rowe Price Global Technology Equity Fund,
 - e. the BNY Mellon US Opportunities fund to the Artemis US Extended Alpha, SVS Sanlam North American, IFSL Avellemly US Equity and Janus Henderson US Growth funds,
 - f. the IFSL Marlborough Global Innovation Fund Class P to the Legal & General Global Technology Index Trust Class C fund.
2. HLAM falsified the contract note for the Janus Henderson units and Sanlam Global.
3. The exchange rate used when backdating the sale of her Nordea Global Climate Engagement Fund units that should have been sold on 8 April 2024.
4. She wasn't able to complete a fund switch online from the Schroder ISF Asian Opportunities Fund to various funds.
5. HLAM haven't provided evidence that all fund sales and purchases on her ISA and Fund and Share accounts since account opening in 2002 have been done correctly.
6. She didn't receive a call back on 4 April 2024, requested on 3 April 2024 and general poor customer service.

To resolve her complaint, Mrs B would like all the errors made in her fund transfer to be corrected and to provide calculations of these corrections. In addition to this, she has also asked HLAM to provide evidence that all transactions on her account since 2002 have been carried out correctly.

In their final response letter in June 2024, HLAM said they agreed the issues surrounding customer service, the confusion around the restrictions on the account and the website dealing issues she faced. They said these issues led to a lack of understanding and failure to make the fund switches and agreed to backdate the fund switches to the original call on 4 April 2024.

They clarified the fund dealing process and confirmed the delayed trades had been backdated to the correct date and the correct exchange rate was utilised. Overall, the fund switches which had delays where Mrs B was at a loss, were backdated. They also offered £300 for the poor service and inconvenience she experienced.

Unsatisfied with this outcome, she brought her complaint to our service.

An investigator here considered the complaint and thought HLAM had been fair in resolving Mrs B's complaint, so he didn't uphold the complaint. This has now been passed to me to consider.

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.

Having done so, I agree with the investigator's conclusion for broadly the same reasons.

I am not going to list every issue mentioned in Mrs B's complaint, though I would like to reassure her that I have considered all the complaint points as well as her detailed submissions about the problems she's encountered. The calls I've listened to help to explain the issues surrounding the funds switches and I can see HLAM accept the instructions have not been handled the way they should have been.

They have tried to resolve Mrs B's concerns and agreed to backdate six switches - Templeton, Sanlam, Janus, Nordea, Schroder, and JPM. The request was made over the phone on 5 April 2024 but the original instruction to make the switch was placed on 3 April 2024 when Mrs B called. As the call was placed at 16:45 on that day, the funds switch would have gone through the following day, so HLAM agreed to backdate the fund switches to 4 April 2024.

HLAM have provided a detailed breakdown of the funds with prices for the relevant dates and what the backdated units would be. In some cases, Mrs B is better off and HLAM have agreed for her to retain these. In the cases where she is worse off, the price has been backdated. Her concerns around the price used and evidence of backdating can all be resolved within this. The rates can vary from one provider to another, but HLAM have confirmed the rates with their pricing data supplier. Based on this, additional units have been purchased to ensure the number of units in the fund are the same as they would have been when the transfer was instructed so Mrs B is not at a loss. I am satisfied that this fairly compensates her for the loss she suffered due to the delays because she now has the same number of units she would have had if there was no delay.

In relation to the exchange rate used for the backdated trade in the Nordea fund, this exchange rate is given by an external provider. The price in EUR is 109.93 rather than USD

and the conversation rate of 1.1653 Euro to 1GBP which would be 94.3362p per unit. The information I've seen confirms this to be correct, so I'd like to reassure Mrs B I am satisfied there has been no error here.

The funds switch from Guinness and BNY Mellon, neither of these were mentioned in the calls with HLAM. I've seen evidence showing these fund switches were instructed online so Mrs B was responsible for these herself. She was in control of when these were placed and I haven't seen any evidence that HLAM did anything wrong here.

I have considered the detailed response Mrs B wrote in her reply to the investigator's conclusions, and I can see the level of time she has invested in this, but I have to decide based on the evidence before me what is most likely to have happened. Again, I haven't commented on every single fund switch and every individual delay complained of, but I commented on the ones that I feel help to resolve the complaint. In some instances, what Mrs B considers to be a delay is industry wide standard timescales for the processes businesses have in place. It is worth noting that it is standard practice in these situations for a business to wait until the trade is confirmed before they can submit a purchase instruction for a fund switch. Taking up to four days is considered reasonable particularly in busy periods. The terms and conditions that Mrs B signed up to as well the Best Execution and Order Management Policy do explain this in detail.

Finally, I note Mrs B has raised several issues about the practices and processes HLAM use. She has asked for a comprehensive review of all her account transactions going back to 2002 as she wants to check these were all executed correctly. I appreciate the issues she has more recently faced cause her to question previous transactions, but asking HLAM to provide evidence of every transaction dating back more than twenty years is disproportionate, particularly as no specific concerns have been identified in relation to any individual transaction. Such a request goes beyond what is reasonable or necessary in the circumstances of this complaint. However, if there are specific concerns about HLAM and their conduct, she is free to raise these with the regulator, the Financial Conduct Authority.

Putting things right

HLAM have offered to pay Mrs B £300 for the failings she has complained about, in addition to backdating the funds switches. I think it is appropriate that HLAM compensate her for the inconvenience they've caused her throughout this process, whether that be administrative failings, customer service or otherwise. Given the number of funds involved in this complaint and the distress she experienced, I consider the amount of compensation offered to be fair and reasonable. I know Mrs B will be disappointed with my decision but overall, I am satisfied HLAM have taken appropriate steps to compensate her for any loss resulting from the delays in completing the fund switches. Mrs B has made the service aware that the compensation of £300 has not yet been paid, so HLAM needs to make this payment to her should she chose to accept this decision.

My final decision

For the reasons given above, I uphold this complaint against Hargreaves Lansdown Asset Management Limited. They should pay Mrs B £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 12 January 2026.

Naima Abdul-Rasool

Ombudsman