

The complaint

Mr H complains Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown ('HLAM') took money from his account without his consent after making an error.

What happened

Mr H had an investment account with HLAM.

On 3 April 2024 HLAM paid a dividend of nearly £140 into Mr H's account. On 4 April 2024 it paid the amount again into Mr H's account.

On 5 November 2024 HLAM said it had found that the amount it paid on 4 April 2024 was a duplication and was paid in error. It said it would be taking back the amount it had erroneously paid and Mr H should make sure he had enough money in his account to cover that. It said it would correct Mr H's tax certificates shortly to reflect the correct position, and it apologised for the error.

Mr H complained to HLAM. HLAM said it had investigated what happened and found the error had been caused by circumstances which it said were unusual which involved the dividend being shown as paid in two different currencies which had caused HLAM to pay it twice. It said it had notified the relevant team to ensure the error didn't happen again. HLAM apologised and paid Mr H £100 in recognition of the distress and inconvenience it caused him.

Mr H wasn't satisfied. He referred his complaint to this service. He wanted HLAM to give back the dividend money it had taken from his account and to demonstrate to him that it hadn't made any errors in the past that were to his detriment.

One of our Investigators looked into Mr H's complaint. He didn't think HLAM needed to do any more to put things right. In summary he said that, having made the error in the first place, HLAM had been right to take back the erroneous payment because Mr H hadn't been entitled to it. And he thought £100 was an appropriate payment from HLAM to put things right for Mr H.

Mr H didn't agree with the investigator's view. In summary he said the following:

- HLAM had taken so long to notice and act on the error that it was no longer reasonable for it to ask Mr H for the money back.
- Mr H hadn't received any assurance or seen any evidence that the error was an isolated incident.
- Because his investment was in an ISA Mr H wouldn't have had any tax liability in respect of the dividend.

The investigator further said the length of time taken to discover the mistake didn't change the fact HLAM was entitled to take back the money it had erroneously paid, and the role of

this service was to settle disputes between individuals and businesses whereas looking more broadly at the conduct of the business was the role of the regulator. And he said HLAM had a responsibility to ensure it reported correctly irrespective of whether Mr H held his investments in a tax-free wrapper.

Because no agreement could be reached, the complaint was passed to me to review afresh and make 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.

Having done so, I'm not upholding the complaint, for the same reasons given by the investigator on this complaint. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

I understand Mr H says HLAM isn't entitled to take back the additional dividend because of the length of time it took to discover the error. He says the dividend is likely to have been used and so it's unfair to have taken it back after so much time. I can certainly understand his dismay, but it remains the case that the additional dividend wasn't owed to him. So by taking it back HLAM isn't depriving him of funds that were his. Rather it's caused him a loss of expectation because he believed the money he'd been given was his to keep. For that I'm satisfied the payment of £100 was reasonable.

When this service makes an award to put right an error we generally look to put the customer back in the position they would've been in had the error not occurred. In this case if HLAM hadn't mistakenly paid Mr H the extra dividend he wouldn't have received that money. So I don't find that he's entitled to be paid it now. But he also wouldn't have expected to be paid that money if HLAM hadn't made a mistake – whereas by mistakenly transferring the money to Mr H HLAM gave him to believe he was entitled to it. As I've said, it's that loss of expectation that needs to be put right. And I find £100 is appropriate for that.

Mr H has voiced concern over whether HLAM might have made other mistakes, in addition to the particular mistake he's complained about here. He provided records of the investments he holds with HLAM. He said the records showed some investments paid dividends more than once in a month. If that were the case I wouldn't necessarily conclude that Mr H had been caused detriment by HLAM. And as the investigator on this case said the role of this service is to resolve complaints. We don't provide a checking service and it's not for me to comment on the broader service a business provides outside the particular circumstances of the complaint I'm considering. I understand Mr H would like HLAM to investigate other transactions and prove to him that it hasn't made any other mistakes. But in the circumstance of this complaint, and in the absence of any other specific concerns having been raised about any particular transactions, I don't find it proportionate to require such action of HLAM.

Overall, I understand Mr H has been disappointed and frustrated by the service he's received from HLAM. I know he expected better. But I'm satisfied HLAM has acted appropriately by apologising and giving Mr H £100 in recognition of distress and inconvenience. And because Mr H wasn't entitled to the additional dividend payment he

received, I don't find it unfair or unreasonable that HLAM reversed that payment. So I'm not requiring HLAM to do anything further.

My final decision

For the reasons I've set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 September 2025.

Lucinda Puls
Ombudsman