

The complaint

Ms N has complained about the way a withdrawal from her pension was processed by Hargreaves Lansdown Asset Management Limited ('HLAM').

Ms N states that HLAM processed a withdrawal for the entirety of her pension value rather than the £20,000 she had requested. This much larger withdrawal has led to Ms N having to pay an increased amount of tax on the withdrawal amount.

As Ms N believes the error was on HLAM's part, she would like the withdrawal reversing.

What happened

In October 2024 Ms N applied for a £15,000 withdrawal from her HLAM pension.

This was processed correctly, and Ms N received an amount of £9,871.80 after tax into her bank account.

On 23 November 2024 a request for £10,000 was made using the HLAM online portal.

On 25 November 2024 HLAM sent Ms N a secure message to her online portal to confirm this request had been received and was being processed.

Ms N made a further withdrawal request on 26 November 2024 using the same online portal. This was for a withdrawal of the full fund value.

HLAM sent Ms N another secure message on 2 December 2024. This confirmed that a full withdrawal had been requested. Both secure messages contained a link to the HLAM drawdown calendar which explained Ms N had until 17 December 2024 to amend her instructions.

Ms N accessed her online portal on 2 December 2024. This was to send HLAM a message querying why an amount of £9,871.80 had been received in respect of her earlier £15,000 withdrawal. HLAM responded the same day explaining that the deduction was due to the withdrawal being taxed as PAYE under an emergency tax code, with any overpayment in tax being able to be recovered from HMRC.

Ms N accessed her online system again and changed her nominated bank account details. HLAM confirmed this had been actioned via another secure message on 4 December 2024.

On 23 December 2024 HLAM sent Ms N another secure message to her online portal confirming the full withdrawal had been processed.

Having received an amount much larger than expected Ms N contact HLAM on 27 December 2024 to query what had happened. There were further calls later in December 2024 and January 2025. Ms N believed she had only made one request in November 2024 for a withdrawal amount of £20,000, and as a much larger withdrawal had now been processed, she would have to pay more tax. Given this, a complaint was registered.

HLAM issued their complaint response on 14 February 2025. This explained that HLAM did not believe they had made an error and as such were not upholding the complaint. In addition, they could not reverse the transaction as this would only be possible if the issue had been caused by an error on their part.

HLAM did offer £100 in respect of the delays Ms N suffered in having this explained fully.

Unhappy with HLAM's complaint response Ms N referred her complaint to this service.

Our investigator looked into things and concluded that HLAM had processed the request as it had been received and as such had not acted unfairly.

Ms N did not agree, and requested further evidence showing the withdrawal request she had made.

Our investigator explained that HLAM had provided screenshots showing the withdrawal request which had been submitted, however, as no agreement could be reached, the case has been passed to me for a final 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.

HLAM are Ms N's pension provider and have an execution only relationship with Ms N. As such they cannot provide any advice and are required to action requests made of them by Ms N regarding the administration of her pension.

HLAM do have an obligation to warn their consumers of the potential risks and consequences of their actions (such as withdrawal requests like Ms N's) and I can see from the evidence on file that the HLAM online system does provide such warnings before any such transaction request is submitted.

The core issue in this case is what withdrawal was actually requested by Ms N in November 2024. Whilst Ms N believes only one £20,000 withdrawal was requested, HLAM say that no £20,000 request was submitted. They have stated that two requests were made in November 2024 - one for £10,000 and one for the full fund value.

Overall, I have reached the same outcome as our investigator and for broadly the same reasons. I have gone on to explain why I have reached this outcome below.

I would like to start by stating that I fully accept that Ms N did not intend to withdraw the full value of her pension and I do appreciate that the additional tax now due because the full value was withdrawn in a single tax year is a significant amount. However, these points do not mean that HLAM made an error.

As part of her correspondence with both HLAM and this service Ms N has asked for a copy of the form completed on 26 November 2024 where a withdrawal of the full fund value was requested.

HLAM have not been able to provide such a form and have explained that a withdrawal requested made online does not generate a withdrawal form in the same way as a paper withdrawal application form would.

What HLAM can provide are screenshots of their system showing that a full policy value

withdrawal was requested on 26 November 2024 at 12:38. The content / format of this screenshot matches those showing the other withdrawals requested.

As such, whilst I appreciate Ms N does not consider these screenshots sufficient proof of the request made, I see no reason to doubt this evidence. Overall, based on the evidence available, I consider it more likely than not that a full withdrawal of the pension was submitted by Ms N.

As above, I accept that this was not what Ms N intended. However, in line with what our investigator has already said, I don't think HLAM did anything wrong in processing the request.

HLAM sent Ms N secure messages to her online portal confirming the instructions had been received and providing Ms N with the ability to amend those instructions if required. Ms N was also sent emails to confirm those messages had been sent to her secure portal.

Unfortunately, Ms N did not open or read HLAM's 2 December 2024 message about the full withdrawal of her pension monies until 29 December 2024. However, once again, I don't believe HLAM did anything wrong here. They did provide Ms N with a secure message confirming the transaction request and notified Ms N of the message via email. I think it is reasonable for HLAM to proceed on the basis that such messages had been received and read by Ms N.

I fully appreciate that this is not the outcome Ms N wanted and that Ms N now faces an increased tax liability due to the higher withdrawal amount however I do not believe it would be reasonable to hold HLAM accountable for this.

The evidence supports the conclusion that the HLAM processed the withdrawal correctly and as requested. As such, it would also be unreasonable to require them to reverse the transaction, as this would require some error or omission on their part.

Overall, I am not upholding this complaint and require no further action from HLAM.

My final decision

I am not upholding this complaint against Hargreaves Lansdown Asset Management Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 16 October 2025.

John Rogowski
Ombudsman