

The complaint

Mr F complains that Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown (HLAM) failed to follow his instructions to cancel the transfer of his pension funds to another provider which I'll refer to as provider A. He said that despite his instructions, his investments were sold down. Mr F was unhappy with the sale price and believes he's lost out as a result of HLAM's actions. He's also raised wider concerns with the service HLAM provided.

What happened

Mr F had a Self-Invested Personal Pension (SIPP) with HLAM. He was using HLAM's services on an execution only basis. Within the SIPP he held a small amount of cash and holdings in two shares. He held 384,500 shares in equity A and 1,500 shares in equity B.

Mr F wanted to transfer £1,060 from his pension with provider A to HLAM. However, he incorrectly requested a transfer from HLAM to provider A through provider A's online service.

On 2 July 2024, provider A sent an Origo request to transfer Mr F's funds to it. The transfer effectively stated that it was for a full transfer but also stated that the uncrystallised amount requested was £1,060.

On 3 July 2024, at 12.07pm, HLAM sent an internal message to sell all of Mr F's share holdings.

On 4 July 2024, HLAM sent a transfer acknowledgement to Mr F at 12:14pm. This stated:

"If you'd like to cancel the transfer, please let us know as soon as possible. Remember, you can sell your holdings before we do but it won't be possible to cancel any sale instructions that have already taken place."

Mr F sent a response 11 minutes later. He said: *"please cancel my SIPP transfer. I tried to send money from [provider A] to [HLAM]. It was my mistake only."* He sent a further response at 12.28pm.

HLAM informed Mr F that his transfer had been cancelled. But said that the sales of his shares had already been placed. HLAM explained that when it received sale instructions for clients with equity holdings, these assets would be sold instantly. It also said that while it could reverse the sale, costs may be incurred. And as it was Mr F's error, those costs would lie with him.

Mr F told HLAM that he'd spoken to provider A which had told him it was only expecting £1,060. He said it'd sold over £700K of shares at 3.19pm and 3:24pm, despite his prompt request for it to cancel the transfer. Mr F said he wanted his shares back as soon as possible.

I understand that 384,500 shares in equity A were sold at 170p, with a total of £652,834 being paid into Mr F's SIPP after costs. And that 1,500 shares in equity B were sold at

4150.301p, with a total of £62,203.52 being paid into Mr F's SIPP after costs. The total sale proceeds was £715,037.52.

Mr F called HLAM. It told him that it would reverse the trades and restore his account to what it was before the transfer request. It also sent him a message dated 5 July 2024 to confirm this.

On 9 July 2024, HLAM wrote to Mr F to again state that it would reverse the sales. It said provider A had sent it a request for a full transfer. It therefore felt that provider A was responsible for the sale of the assets and said it would contact it to cover any costs. HLAM explained that although Mr F had promptly requested the cancellation of the transfer, his request hadn't been picked up until 3.55pm on 4 July 2024, after the sales had been placed.

Mr F told HLAM it'd sold his shares without his approval, leading to a very stressful situation for him. He said that provider A had told him that his request was for £1,060 cash. He felt HLAM had demonstrated a lack of control and professionalism.

On 10 July 2024, Mr F contacted HLAM as his SIPP hadn't been returned to the position it had been in before the transfer request.

On 12 July 2024, HLAM wrote to provider A about Mr F's transfer. It asked provider A to confirm the instruction Mr F had given it, and how it'd been provided. It also asked provider A if it was willing to cover the cost of reversing the erroneous sales.

Also on 12 July 2024, HLAM told Mr F that it wouldn't cover the costs of the reversal. It felt it'd acted in good faith when it received the transfer instructions from provider A.

On 15 July 2024, provider A told HLAM that Mr F had incorrectly requested the transfer online. It said the transfer had automatically gone through the system, and that an Origo transfer request had been generated so that the transfer could proceed. Provider A said it wasn't at fault.

Also on 15 July 2024, HLAM wrote to Mr F to tell him it wouldn't reverse the sales. It felt it'd acted correctly on provider A's instruction. It acknowledged that it'd initially said it could reverse the sales. It said it'd raised this to managerial level but they had confirmed that they couldn't reverse the sale as HLAM hadn't made an error.

Mr F raised a formal complaint with HLAM on 15 July 2024. He said provider A had confirmed that his transfer request was for £1,060 cash. And that he'd never authorised any sale of shares. He also felt that his holding of equity A had been sold well below market price. He noted that the value of his shares was well over £700K, which he felt should've raised questions given the transfer request was for £1,060.

Mr F said he'd asked HLAM to cancel the sales before they'd gone ahead. He felt this showed its internal controls didn't operate adequately.

Mr F also brought his complaint to this service on 15 July 2024. To put things right, he wanted HLAM to reverse the two share sales. He said he'd suffered incredible distress and sleepless nights.

On 17 July 2024, Mr F raised a further complaint point with HLAM about the price at which it'd sold his equity A shares. He felt it'd sold his shares in a very reckless manner, without consideration for the stock's liquidity.

I understand that on 23 July 2024, Mr F bought 171,205 equity A shares at 166.6601p. He

bought 1,500 equity B shares at 4,090.106p, and 212,845 equity A shares at 168.37p on 24 July 2024. And on 25 July 2024, Mr F bought 4,058 equity A shares at 166.6711p. At this point, he now held the same amount of equity B shares as he'd held before the erroneous transfer instruction. And 4,058 more shares in equity A than he'd held at that time. I understand that the total cost of these purchases, including charges and tax, was £715,191.86.

On 25 July 2024, Mr F told HLAM that he'd opened a new SIPP with a new provider and that he'd initiated a transfer request.

On 29 July 2024, HLAM received a transfer request from Mr F's new provider. It transferred his investments on 19 August 2024 and his cash on 20 August 2024. 388,108 equity A shares – 4,058 more than Mr F had held before his incorrect transfer request - were transferred. And 1,500 equity B shares.

On 12 August 2024, Mr F told HLAM that he hadn't been able to make financial decisions on his SIPP for weeks after what he referred to as the unauthorised sale.

HLAM issued its final response to the complaint on 29 August 2024. It felt it'd processed the transfer request in line with provider A's instructions. It apologised for not having communicated to Mr F as well as it should and for the service provided. It also apologised for changing its position on the share sale reversal and for the inconvenience this had caused. But HLAM said that Mr F had repurchased his investments at favourable prices, so he hadn't suffered a financial loss due to the sale of his shares.

HLAM reviewed the charges Mr F had incurred for the sales and repurchases. It said that when he'd bought the shares back, he'd made a gain of £3,225.51. But his costs had totalled £3,481.21. It offered to pay him the difference of £179.60. It also paid him £200 for the distress and inconvenience the poor service he'd received had caused.

I understand that HLAM paid Mr F the redress it'd offered him on 2 September 2024.

Mr F felt that HLAM had only changed its mind about reversing the trades for him when it'd realised that it would cost approximately £35,000. He also felt he was entitled to additional compensation for the distress he'd suffered. He felt HLAM should compensate him for the full amount of commission and stamp duty he'd had to pay when he'd bought his shares back. And that it should also pay him £30K for the loss in value he'd suffered when it'd sold his shares. In total, he asked for compensation of £33,476.21. Mr F also felt that HLAM had failed to stop the transfer when he'd told it to and that it'd sold all his shares without regard for price or liquidity.

HLAM replied to say that it'd followed its usual procedure when progressing the transfer request. It acknowledged Mr F had tried to cancel the transfer, but said that by the time it'd picked up his cancellation request it was too late to cancel his share sales.

After this service had contacted HLAM about the complaint, it explained it'd followed its usual process on receipt of a transfer request. It didn't think it'd done anything wrong. It said it'd received a valid Origo request for a full cash transfer, which it was obligated to act on.

HLAM said that it sends acknowledgements of sales to clients to notify them of transfers and to give them the opportunity to cancel them. But it doesn't guarantee that it can cancel any sell instructions which have already been received and acted upon. While HLAM accepted that Mr F had responded to its acknowledgement in good time, it said the sale instructions had already been processed in line with the instruction it'd received from provider A.

HLAM also told this service that it aimed to arrange for sales to take place at the earliest possible opportunity, so that it didn't cause any delays. It felt this was in line with best practice. It felt its acknowledgement of Mr F's transfer request had made it clear that it couldn't guarantee that it would be able to stop any sell instructions.

HLAM said that Mr F was ultimately £7,754.91 better off – net of all charges - when the sales and repurchases had taken place. Therefore there was no loss as a result of what happened. It provided this service with a detailed breakdown of the sales and repurchases to evidence this gain.

HLAM said that Mr F's equity A holding was sold for 170p on 4 July 2024. While it acknowledged that this was the trade low for that day, it said it wasn't possible for clients to trade below the market price.

Mr F felt that HLAM should at least cover the costs of the additional transactions he'd had to make, including stamp duty and commission. And that it should pay him an additional sum for the distress and inconvenience caused. He also felt that HLAM should compensate him for being unable to make the best financial decisions within his SIPP during the period that his shares were sold.

Our investigator didn't think HLAM needed to take any further steps to put things right. He felt that HLAM should've set aside a reasonable amount of time for Mr F to respond to its transfer acknowledgement message, rather than acting to sell his shares before it'd checked for a response. He also felt that it must've been very frustrating for Mr F to have initially been told that HLAM would restore his shares before it then changed its mind. However, he noted that Mr F had essentially benefited by £7,754.91 due to the sale and then the repurchase of his shares.

Our investigator noted that although HLAM hadn't provided Mr F with a perfect service, he hadn't lost out financially. He also noted that HLAM had paid Mr F £200 compensation for the distress and inconvenience caused.

Our investigator also considered Mr F's point that HLAM had sold his equity A shares below market price. He didn't agree that was the case, although he acknowledged that the shares had been sold at the lowest price for the day. He said he hadn't seen any evidence that HLAM had acted inappropriately on this point.

Mr F didn't agree with our investigator as he still felt HLAM had treated him unfairly. He made the following points:

- He said that before his shares had been sold, he'd held assets worth around £745,000 in his SIPP. But by the end of 4 July 2024, that value had fallen to around £700,000 in cash. He didn't think HLAM had acted fairly when it'd told him he should invest his cash whilst waiting for its final response to his complaint. Mr F wanted our investigator to consider what would've happened if he'd transferred his £700,000 to another provider on 5 July 2024. He noted he could've invested his funds in any number of ways. He also noted that if he'd repurchased the shares on Monday, 8 July 2024 he'd have ended up with fewer shares than he'd held on 4 July 2024.
- Mr F didn't agree that he was better off. He said it had taken him weeks to repurchase the shares as their price had risen, making his losses worse, during the period after the shares were sold. He questioned what would've happened if the two shares he'd wanted to buy back hadn't fallen in price shortly after HLAM had sold them.

- Mr F still felt that HLAM should've restored his position immediately after the forced sale on 4 July 2024.
- He also still felt that HLAM had dumped his shares onto the market on 4 July 2024. And that the sale price achieved was significantly below the market levels on that date given the high volume of that share that he held. Mr F asked our investigator to review the trading data for the share in question on 4 July 2024, and to compare the total volume traded with the quantity of shares sold from his SIPP. Given he'd already cancelled his instruction, he felt HLAM had caused a loss. And that it'd sold his shares in a reckless manner at least 2% below market price.

As agreement couldn't be reached, the complaint has come to me for a review.

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 going to uphold it. I know this will be disappointing for Mr F. I'll explain the reasons for my decision.

As our investigator has already explained, the role of this service is to look to resolve individual complaints between a consumer and a business. And if we decide that something has gone wrong, we then ask the business to put things right by placing the consumer, as far as is possible, in the position they would've been if the problem hadn't occurred.

What this essentially means is that if I determine that HLAM has made a mistake which led to a financial loss for Mr F, I'll require HLAM to compensate him for the loss it caused. So I first considered what should've happened, in order to determine whether HLAM has made an error which led to a financial loss for Mr F.

What should've happened?

The evidence shows that it was Mr F's error that led to provider A requesting a transfer of assets from HLAM through Origo. The request itself stated that it was for a full transfer, but it also stated that the amount being requested was £1,060.

Therefore, while I agree with HLAM that it acted appropriately based on the full transfer request, I think it should've noticed the amount being requested was considerably lower than the total amount of funds in Mr F's SIPP. Had it done so, I'm satisfied it wouldn't have sold all of Mr F's equity holdings on 4 July 2024.

If HLAM had noted the amount requested, it wouldn't have needed to sell all of Mr F's holdings. He therefore wouldn't have had three weeks of worry about when to buy his shareholdings back.

I acknowledge that during the period when Mr F's shares had been sold, he felt he didn't have his usual level of control over his own assets. I also acknowledge Mr F's points that he could've taken any actions – for example buying bitcoin – during the period in question. I also acknowledge that he could've repurchased his shares at the first possible opportunity on 8 July 2024. Had he done so, I agree the value of his SIPP would've been very different from its value when he transferred it to his new provider.

However, the evidence shows that Mr F made his own decision to buy exactly the same shares back on 23 and 24 July 2024. I'm therefore satisfied that if HLAM hadn't sold his

equity A and equity B holdings on 4 July 2024, Mr F would still have held 384,500 shares in equity A and 1,500 shares in equity B in his HLAM SIPP on 29 July 2024, the date his chosen new provider requested a transfer of his assets.

I acknowledge that Mr F didn't think it was fair for HLAM to tell him he should invest his cash whilst waiting for its final response to his complaint. But I'm satisfied that this was the correct thing for HLAM to have said at the time. I say this because this service expects consumers to take steps to mitigate their own losses wherever possible.

Given Mr F's own decision to buy back the same shareholdings he'd held within his SIPP, I'm also satisfied that Mr F was happy with those shareholdings. And I'm therefore persuaded that – but for HLAM fully encashing his shares on 4 July 2024 – he wouldn't have made different investment decisions. Therefore, while I acknowledge Mr F's point that he could've invested in many different ways if the asset sale hadn't happened, I'm satisfied that the full encashment of his SIPP hasn't led to any material opportunity cost.

In reality, due to the full encashment of Mr F's SIPP on 4 July 2024, and Mr F's subsequent decision to buy back his shares on 23 and 24 July 2024, he was able to transfer an additional 4,058 shares in equity B than he'd previously held. He was also able to transfer a small amount of additional cash. Therefore, while I understand why Mr F doesn't see it this way, the evidence shows that he has benefited due to the full encashment of his SIPP on 4 July 2024. I say this while acknowledging the distress it must've caused Mr F during the period when the price of equity A was increasing after 4 July 2024.

Therefore, while I consider that there was enough information on the transfer request from provider A for HLAM to have realised that a full encashment of Mr F's SIPP wasn't necessary, I can't reasonably say that its actions led to a financial loss.

I understand why Mr F feels that HLAM should've restored his position immediately after the asset sales on 4 July 2024. I agree that as the price of his shares had increased since the sales, it would've cost HLAM to put him back to his original position. But I'm not persuaded that HLAM decided not to restore Mr F's position due to the cost, as he alleges.

I'm more persuaded that HLAM simply didn't believe it was responsible for any costs, given it felt that it was following its normal processes when responding to a transfer request. I think that was a reasonable position to take under the circumstances of this complaint, where Mr F had made the original error and it appeared to HLAM that provider A had made a further error in its transfer request. In any event, had HLAM accepted it was responsible for an incorrect sale of Mr F's shares at the time, Mr F would be worse off than he is now.

I next considered Mr F's complaint that HLAM sold his large holding of equity A shares in a reckless manner, leading to him receiving a worse price than he should have.

Was the sale of Mr F's equity A shares carried out appropriately?

Mr F still feels that HLAM shouldn't have dumped his sizeable holding of equity A shares onto the market on 4 July 2024. He said the size of his holding led to him receiving a lower price than he should've got.

HLAM said that when a client submits a trade, it's forwarded to its panel of market makers who then attempt to achieve the best possible price, taking into account market conditions at the time. It provided evidence that Mr F's trades were all placed at the correct, prevailing market price.

Our investigator confirmed that Mr F received the lowest market price of the day for his

equity A holding. He also confirmed that Mr F's shares represented around 43% of the total equity A shares sold that day.

While I understand why Mr F has made this point, I can't fairly say that HLAM did anything wrong. I say this while accepting the fact that selling such a large holding of a single share was likely to have an impact on the market price achieved. However, when Mr F inadvertently triggered a full transfer request from HLAM to provider A, HLAM followed its usual procedures when it actioned that request. I can't therefore reasonably hold it responsible for the resultant market price achieved.

I finally considered if the compensation HLAM has paid Mr F for the distress and inconvenience it's caused him was reasonable under the circumstances of this complaint.

Distress and inconvenience

I understand that HLAM has paid Mr F £200 for the distress and inconvenience the poor service he'd received had caused. And that it's also paid him a further £179.60 based on a calculation of his financial gain at a certain point in time when compared to the repurchase charges he had to pay.

Before I consider the distress caused, given Mr F transferred his SIPP to a new provider, I'm not persuaded that HLAM needed to pay Mr F £179.60, as the evidence shows that Mr F was actually £7,998 better off, net of all charges, at the point of transfer, compared with the position he would've been in if his assets hadn't been sold on 4 July 2024. I say this because the evidence shows that but for the equity sales, the value of the transfer would've been £708,805. And as a result of the equity sales and the repurchases, the actual transfer value was £716,803.

I can also see how frustrating it must've been to receive what appeared to be an offer from HLAM to cancel the transfer request in full, when this wasn't actually the case here. Having said that, I consider that the wording in HLAM's 4 July 2024 transfer acknowledgement letter is clear that some sale instructions may have already taken place.

While I take Mr F's point that there's no value in HLAM offering to cancel a transfer if it wouldn't actually be possible to stop any asset sales, I consider that many asset sales could be cancelled – for example the sale of funds, which often only trade once each day. Overall, I think that HLAM's acknowledgement letter was reasonable, given it was Mr F who had made the transfer request, albeit inadvertently.

Mr F said that the value of his fund had fallen from around £745K to around £700K very quickly after the asset sale. And that every decision he made after HLAM had sold his equity holdings was made under the burden of that loss. He also said that the distress of having his shares sold when he felt he hadn't authorised that sale caused significant personal and financial strain.

I don't doubt that the period between 4 July 2024, when Mr F first found out from HLAM what was happening, and 23/24 July 2024, when Mr F was able to favourably reverse the asset sales, was extremely stressful. And I can also see that it would've been hugely frustrating and upsetting to have initially been told that HLAM would cover the costs of the asset sale reversal, only for it to go back on that offer at a later date.

However, I'm satisfied that the £200 compensation HLAM has already paid Mr F for the distress and inconvenience caused is reasonable under the circumstances of this complaint, especially given it's also paid him a further £179.60 financial compensation that I don't consider was necessary. I say this because although it's clear that Mr F suffered

considerable distress and inconvenience over a period of almost three weeks, I'm pleased to see that he has effectively ended up with more equity A shares than he would've had but for the 4 July 2024 asset sale.

Overall, I'm satisfied that HLAM has already taken reasonable steps to put things right. So I won't be asking it to do anything further. And I don't uphold the complaint.

My final decision

For the reasons explained above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 15 August 2025.

Jo Occleshaw
Ombudsman