

The complaint

The estate of Mrs C complains about the service they received from Hargreaves Lansdown Asset Management Limited ('HL') following her death. In addition, they went on to say that HL failed to put them in an informed position when they asked HL to transfer the additional permitted subscription (APS).

The complaint is made by Mr C on behalf of his late wife.

What happened

Mr C's wife died in September 2023 and shortly afterwards, he informed HL, asking them to update their records. Two months later, probate was granted which Mr C sent into HL; they received it on 22 November 2023.

On 24 November 2023, HL received a request to transfer the APS to a business that I shall call Firm F. HL completed the transfer of the APS to Firm F on 30 November 2023.

After the transfer had completed, Mr C contacted HL on 30 November 2023, explaining that he didn't understand how the APS worked and didn't wish to transfer it. Firm F later tried to cancel the APS on 29 December 2023. However, HL explained that the transfer couldn't be reversed, and it was final.

Shortly afterwards, Mr C decided to formally complain to HL on behalf of the estate of Mrs C. In summary, he said that he'd not been put in an informed position when transferring the APS and HL had failed to properly set out what the options were. Mr C also raised his concerns about the service that he'd received from them and explained that he didn't believe HL had distributed his late wife's estate in a timely and accurate manner. Mr C said that he'd received a poor discharge of their duty of care to a bereaved person. To resolve his concerns, Mr C stated that wanted an apology and compensation.

After reviewing Mr C's complaint, HL concluded they were satisfied they'd followed the correct procedure when transferring the APS. HL said that they had initially received Mrs C's death certificate on 20 October 2023, and the transfer pack was sent out explaining the next steps. They subsequently received an instruction to transfer the assets in Mrs C's name into Mr C's own account, however they required the Grant of Probate (GOP) before they could proceed with the transfer. Mr C later received the GOP and sent it to HL which allowed them to proceed with the transfer. However, shortly after HL received the GOP, they also received an instruction from Firm F on 24 November 2023 to transfer the APS allowance to them, which they proceeded to do. This meant that they could not transfer the late Mrs C's ISA monies into Mr C's own ISA as there was no longer the allowance to do so.

HL have said that when they receive an instruction from another provider, they're not obliged to contact the client to make them aware that the allowance could be more if they waited for the closure of the account. This is because there's no guarantee that account would go up in value. However, during the administration of Mrs C's accounts, Mr C had multiple

conversations with HL, and so they recognised that their explanations of the APS process could have been clearer.

HL said that whilst Mr C is right that they do have a duty of care to clients and executors, had they contacted him stating that the APS allowance could be greater if he used it with them, this could have constituted as financial advice which they are not able to give and could also be seen as obstructive in not proceeding with the transfer to another provider. Within HL's final response, which was sent to Mr C on 23 August 2024, they apologised for their service shortcomings and offered him £150 compensation. However, HL later went on to say that they did not feel this was a reasonable offer which fully compensated him for the service he received. As a result, HL made a further offer to Mr C for an additional £250, to apologise for not providing clearer instructions prior to his transfer request.

Mr C was unhappy with HL's response, so he referred his complaint to this service. The complaint was then considered by one of our Investigators. He concluded that as HL hadn't received the instruction to cancel the APS transfer until after it had been completed, they hadn't done anything wrong. In addition, he also said that because HL's bereavement process was undertaken on a non-advised basis, he didn't think it was unreasonable for HL to have not provided the level of information that Mr C thought that they should have. Finally, our Investigator concluded that once there was an allowance to transfer the ISA into Mr C's name, HL did so promptly.

Mr C, however, disagreed with our Investigator's findings. In summary, he said that he didn't think HL had done enough to settle the complaint and felt that the offer of trouble and upset that they'd made should be at least £1,400.

The case now comes to me for 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.

I want to start by passing on my condolences to Mr C following the loss of his wife. Having listened to the calls he had with our Investigator, I very much gained a sense of how frustrating Mr C has found the service that he received from HL. I have summarised this complaint in less detail than the estate of Mrs C has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by the estate of Mrs C and HL in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding the complaint and whilst there's not a great deal more that I think I can add over what our Investigator has already set out, I'll explain why below.

I'm not planning on repeating the timeline of what happened and when in this case as I'm satisfied that it's well known to both parties and our Investigator has referenced much of it in his initial view.

I can well appreciate that there may have been some confusion on Mr C's part about what he could and couldn't do with the APS following his wife's death and what transferring it to Firm F would mean in practice. In short, the APS is a tax-free contribution limit equal to the value of Mrs C's ISA at the time of her death (or estate completion, depending on timing). Importantly, the APS is not the ISA funds themselves, as the actual money in Mrs C's ISA may go to someone else entirely, depending upon the will or estate distribution – however, in this instance, Mrs C left the monies to Mr C. However, I suspect that following his wife's passing, this is likely the first time Mr C has had to deal with the practicalities of an APS so the process may not have been familiar to him. HL have already conceded that they didn't do enough to make Mr C aware of what the APS was but I do think there's a fine balance to tread given the position they were in – Mr C wasn't paying HL for advice; they were providing an execution only service so this meant that Mr C had to tell HL what he wanted to do and it was up to HL to ensure that they followed his instruction in a timely manner as he'd set out to them. And, it seems to me that they did just that. Until the point at which probate was granted, HL were correct in not allowing any of the funds in the late Mrs C's investment or the APS to be moved. But, once probate was granted and they received an APS transfer request from Firm F, they acted promptly to transfer that entitlement and that then also gave Mr C license to utilise his late wife's ISA allowance with Firm F. But, because Mr C's instruction to cancel the APS transfer came after HL had already moved it to Firm F, there wasn't anything that they could do to stop or reverse it because the transfer is final.

I'm therefore satisfied that given Mr C's request to cancel the APS transfer came in after Firm F's instruction had already been processed, HL acted reasonably in processing the transfer request. Whilst HL are of the view that they could've done more to put Mr C in an informed position about the APS when he telephoned them, as I've already explained, HL were acting in an execution only capacity. I well suspect that had Mr C telephoned HL's helpline asking for clarification or wider information on the matter, they'd have been happy to explain the process to him but unless Mr C asks for information or help, I don't think HL were incorrect in working on the assumption that he had the information he needed. He was sent a letter following Mrs C's death about his options and having undertaken a cursory look at HL's website, I've seen that there's a very detailed section on there covering the APS, how it works and a telephone number that customers can contact if they need any more information on the topic.

As HL had transferred the APS to Firm F, they weren't then able to transfer the ISA monies from the late Mrs C's ISA into Mr C's ISA because the additional allowance had been moved. And it seems that once the allowance became available, HL transferred it to Mr C to enable her account to be closed. HL have said that when they receive an instruction from another provider, they're not obliged to contact the client to make them aware that the allowance could be more if they waited for the closure of the account – and I agree. HL were providing an execution only service to the estate (and the late Mrs C) and as such, they have to be careful not to stray into giving advice but in any event, there was no guarantee that the account would go up in value anyway. In addition, information about this particular topic is covered on HL's website that I've already signposted above.

I think it's worth mentioning here that Mr C did also raise a complaint with Firm F about the APS. Having looked at the resolution letter that they sent to him (in July 2024), they highlighted that the unit price in the fund he was intending on purchasing with his late wife's monies was at that point lower than the price when HL confirmed that the transfer couldn't be cancelled. That meant he was in a better position to utilise the APS allowance if that's what he wanted to do.

I've seen that one of Mr C's original complaint points to HL (that he also discussed with our Investigator on the telephone) was around his inability to access his late wife's accounts online so he could obtain a valuation of her funds. HL addressed this specific complaint point in their separate letter to him of 11 July 2024; they explained that they remove online access to deceased customers' accounts following notification of the client passing away for security reasons. Whilst I appreciate that Mr C would've ideally liked to have been able to view the value and performance of his late wife's plan online, I can well understand HL's motivation in removing access. However, whether to grant online access in such circumstances is an operational decision for HL and not one that I will comment on further.

In addition, Mr C also explained that he would've preferred to have had a single point of contact at HL that he could've liaised in directly with to deal with all his concerns. However, it's important to remember that as the estate of Mrs C is dealt with on an execution only basis, that means they aren't paying HL for a separate relationship manager to look after and manage their affairs. And, in any event, how HL choose to resource their staffing and service provision is an operational decision for them and not one that I will comment on further.

HL have already made an offer of redress to Mr C to apologise for not being as clear as they could've been in their communications with him. However, given the rules that govern this service (under DISP 2.7), we cannot instruct a firm to make a trouble and upset payment to an executor, even when we find that the firm was at fault (which I've not done in this instance). As such, I won't be instructing HL to pay Mr C the £1,400 that he's has asked for. Whilst I appreciate the strength of Mr C's feelings on the matter, having looked at HL's actions following his complaint to them, I do think that they've acted fairly and reasonably when investigating and addressing the concerns that he set out. I think that the offer of redress that they've made to apologise and restore their relationship with him is fair.

My final decision

I'm not upholding the complaint that the estate of Mrs C has made against Hargreaves Lansdown Asset Management Limited, and I won't be instructing them to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 15 October 2025.

Simon Fox
Ombudsman