

The complaint

Mr S complains that Hargreaves Lansdown Asset Management Limited ('HL') didn't complete the transfer of funds from his HL saving account to his selected provider ('Provider G') the same day that he made the transfer request.

What happened

Mr S says he transferred money into his HL savings account. He then explains how he selected five providers on HL's platform with which to distribute his money. Mr S's savings account is a platform allowing users to manage multiple savings products from various UK banks and building societies through one single login.

Mr S says he was able to transfer almost instantly to four out of the five providers he had selected, with no issue. This meant he could select products, earn interest, or invest straight away.

However, with Provider G, Mr S says he had to wait for up to two days before he could access these funds. Mr S says this is a significant amount (totalling £80,000) to not be able to access straight away. Mr S says when he complained to HL about what happened with the interest earned whilst waiting for the transfer to complete, he was shocked by the answer.

Within HL's complaint response, the business explains that when payments are made into a savings account the balance is presented immediately so that a selected product can be allocated. However, this is on the basis the pending payment will complete. Until the money is settled it cannot be allocated to selected products. HL further explains this process isn't instantaneous and can take one working day to complete. Regarding interest paid, regulation doesn't allow for this to happen during the transfer process when money is held in a "client hub" whilst the transfer process is completed.

Mr S remained unhappy with this response to his complaint. He says payments should be instant and operational restrictions are impacting his ability to freely move and invest his money. He says that HL shows it can make payments on the same day, as this happened with other providers. He says there is no good reason why Provider G is any different, and he believes that HL are financially benefiting from the situation.

Mr S escalated his complaint to our office for further consideration.

Mr S largely agreed with our investigator's view. However, he couldn't accept the view shared around cut off times for transactions to process on the same day. He feels he wasn't given sufficient information by HL before depositing £80,000 with Provider G. He firmly believes that HL is hiding behind the one-day business processing time to handle client money in a way that is commercially beneficial.

The investigator wasn't persuaded to change her mind, and this complaint was passed to an Ombudsman 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.

I have summarised this complaint and what has happened linking back to the crux of what Mr S says went wrong. 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. Instead, I will focus on what I find to be the key issues and evidence relevant to this complaint.

Having taken the time to read through all the information on file, I'm in agreement with the investigator's view shared with Mr S and HL. This is that HL has acted fairly and reasonably in how it has managed Mr S's transaction when he selected to transfer funds to Provider G.

When Mr S chose to move money to Provider G, he did so using the 'Pay by Bank' option. This allows for the instant move of funds from one provider to another. However, the process involves a third-party payment provider and only 'cleared funds' (money that has completed the transfer process fully) can be sent to a provider. Money will appear in the client account so that products can be selected. But it can take up to one business day for all parts of the transaction process to complete.

I believe the reason why Mr S experienced a different service with other providers, compared to his experience with Provider G, is because typically payments made using the Pay by Bank option settle within a business hour. This means that when a payment is made a product can be selected the same day. However, with Provider G, HL explains that all payments to this provider are sent in bulk at between 8 and 8.30am each business day. And in Mr S's case, all the deposits he made were done after this timeframe. These transactions therefore processed the next business day.

Mr S has commented that, if this information had been made clear and available to him at the time he was selecting products, he would have been better informed as to what to expect. I can appreciate this position, and I accept that Mr S did experience a different service than what happened when he chose other providers with different processing times.

At the same time, I do believe clear information was made available to Mr S at the time he selected to transfer funds to Provider G. This is because under the heading "*before you start*" it explains:

"to add money to this product you must have cleared funds available in the cash hub. Debit card payments and cash transfers from other HL accounts can take one working day to clear in the cash hub".

It may be that Mr S believed he had cleared funds because he made deposits and because he had a different experience with other providers. However, I cannot be critical of HL because the business did make clear the timescales that could be expected. And it did process the transaction with Provider G within one business day.

Section 8 of the FCA's guide titled 'Payment Services and Electronic Money – Our approach' sets out the expectations business should follow when it comes to completing certain electronic payments, including single payments.

Section 8 provides timescales, and says:

"The aim of the provisions in respect of execution times is to mandate and harmonise the speeding up of payments, so the maximum time taken when neither the payer nor the payee has access to the funds should be one business day."

I've referenced this piece of guidance as I think it helps explain what should happen when it comes to handling electronic money. The "maximum" should be one business day. At the same time, the process should be "speedy".

If HL had missed the maximum one-day timeframe, then I could be critical of the business. As it stands, I'm not critical of HL on this occasion as I consider that it provided clear information about what would happen when selecting Provider G without having cleared funds available, and it did meet the timescale of completing the transaction within one business day, in line with relevant guidance.

Finally, I want to address the issue of interest raised by Mr S in terms of money held by HL before this is cleared. Electronic money accounts can't earn interest on money stored. This is prohibited by the Electronic Money Regulations 2017. So there is no expectation for HL to pay any interest on payments that aren't cleared.

My final decision

Overall, I do not uphold Mr S's complaint about HL. And I direct no remedy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 February 2026.

Emily Bowyer
Ombudsman