

## The complaint

Mr F has complained about the investment advice he received from Hargreaves Lansdown Asset Management Limited (HLAM). He feels HLAM advised him to remain in poorly performing funds when he raised concerns about performance causing him to suffer a financial loss as a result .

## What happened

I issued my provisional decision to this complaint in June 2025, parts of which are copied below and form part of this decision.

*I have reviewed all the evidence provided by both parties. I have not reproduced all of this in this decision but concentrated on what I believe to be the most relevant parts.*

*On 19 November 2020, Mr F met a financial adviser (FA) employed by HLAM to discuss his financial situation and objectives and make recommendations about investments that would be appropriate for him. Following this meeting a suitability report was produced and sent to Mr F on 27 November 2020. This report recommended that he transfer two existing personal pensions to a HLAM self-invested personal pension (SIPP). The FA advised him to invest in two funds which HLAM recommended in its 'Wealth Shortlist'. This list comprises a number of different funds that HLAM says:*

*We put funds under the microscope to make sure the list only contains the funds that our in-depth analysis indicates have the greatest performance potential. We never take payment or commission for funds to appear on the Shortlist.*

*The Wealth Shortlist includes funds across a range of sectors, and risk levels that won't be right for everyone – it isn't personal advice. A change to the list isn't a recommendation to buy or sell. You'll need to consider your own goals, attitude to risk and wider portfolio before making any investment decisions. Funds can fall as well as rise in value and you could get back less than you invest. All investments should be considered for the long term and held for a minimum of 5 years.*

*Mr F agreed with the recommendations and his existing pension benefits were subsequently transferred to a SIPP with HLAM and the recommended investments were made. Mr F paid HLAM a fee of £2,500 for the advice he had been given but he declined to enter into an ongoing advice service. He instead agreed to pay for any further advice he required on an ad hoc basis.*

*By the Summer of 2022, Mr F had become concerned about performance of the investments held within his SIPP. Consequently, on 27 June 2022 he contacted HLAM to ask about his concerns about his investments. HLAM responded to say:*

*I have checked with my team and for one off financial advice your advisor would have built you a portfolio which should set you up for a minimum of 5 years. After the advice is given it would be for you to manage yourself. If you have one off financial advice the advisor would not look at your account after the portfolio has been made unless you request a review.*

*If you would like to request a review I can have one of our advisors call you within the next couple of days to discuss.*

*Mr F responded to the same day to say that he would like to take up the offer of a financial review. HLAM then arranged for the adviser who had given Mr F the original advice to call him to discuss the situation.*

*This call was arranged for 6 July 2022 and lasted some 30 minutes. During the call the adviser established that Mr F's financial situation and objectives had not changed from when the initial advice was given in November 2020. Mr F explained his concerns about the performance of his SIPP investments. It was agreed during the call that a formal review was not required at that time and Mr F was not charged for the adviser's time.*

*Mr F continued to be concerned about what he saw as the poor performance of his SIPP and transferred his benefits to a new provider in August 2024. Mr F subsequently raised a complaint with HLAM on 11 September 2024, saying that he should have been updated that some of the investments had not performed as well as expected.*

*HLAM investigated the circumstances of his complaint and issued a response on 10 October 2024. It did not uphold Mr F's complaint. It said:*

*.....you did not feel that an ongoing review service would be required, as your situation was unlikely to change moving forward. As such, there was no ongoing advice relationship agreed, and [adviser] had provided one-off advice. Despite this, an ad-hoc review could have been arranged, had you felt necessary.*

*It went on to say:*

*Our house view when investing into real asset based investments is that they should be held for a minimum of 5 years, as shorter term volatility impacts less the longer an investment is held. As you had expressed your aim was to leave the majority of the assets invested for the rest of your lives, and at the very minimum for at least 8 or 9 years, the recommended investments met your objective to invest for the long term and provide an income throughout retirement.*

*Whilst I appreciate your disappointment with the performance of your investments, I note that you had not met the minimum recommended period and in any case we are unable to guarantee performance.*

*Unhappy with this response, Mr F asked further questions about the level of commission that HLAM gained from recommending the funds it did and for further details of the and comments about what he felt was the relatively poor performance of his SIPP funds.*

*HLAM confirmed that it received no commission or other payments for recommending the funds to Mr F. It went on to say:*

*When clients are concerned about performance having received advice on a one-off basis, our advisers are able to reassure and coach our clients through this by providing explanation of the performance of the fund and our house view. Throughout your conversations with [adviser], as you had not expressed any change to your circumstances, in terms of your risk appetite or your approach to investing, there was no value in reviewing your circumstances by way of further paid advice.*

*As he remained unhappy, Mr F brought his complaint to this service.*

*Our investigator reviewed all the evidence in this case and formed the view that Mr F's complaint should not be upheld.*

*Mr F remained unhappy and so the complaint has been passed to me to make a final decision.*

Neither HLAM or Mr F responded to my provisional decision so I will now make my 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.

Having done so, I have reached the same conclusion as our Investigator and do not uphold Mr F's complaint.

*I can appreciate that Mr F will be disappointed that I do not uphold his complaint so I will explain now how I have reached my conclusions.*

*Firstly, I think it's important to reflect upon the role of this Service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we expect a business to fairly compensate a customer for any financial loss and distress and inconvenience they have suffered as a result.*

*In the circumstances of this case I need to determine whether the original advice given to Mr F was suitable for him based upon his financial situation and objectives. I also need to consider whether HLAM had any responsibility for him remaining invested in the funds it had recommended to him once he became concerned about the performance of his SIPP.*

*Looking first at the initial advice Mr F was given by HLAM, I can see that the adviser discussed Mr F's financial position and objectives in some detail. The objectives were articulated as*

*To achieve your desired standard of living during retirement.*

*To maximise the value of your assets to eventually pass onto your wife or children.*

*The suitability report also described Mr F's attitude to stock market volatility as:*

*Whilst historically it has tended to be the case that a portfolio regains value after a fall in the stock markets, you understand that there are no guarantees. You are comfortable accepting volatility because you need to achieve growth on your assets to maximise your ability to achieve your goals. Whilst you will lean on these assets in 8 years' time, you expect to leave the majority of these assets invested for the rest of your lives and therefore your timescales are very long.*

*The report went on to say :*

*we recommend a minimum investment term for real asset based investments is at least five years. This is consistent with your intentions as you aim to invest for at least 8 or 9 years, with the majority of capital remaining invested for a lot longer.*

*The report also included statements to the effect that there were no guarantees that a portfolio would regain value after any fall in value and that Mr F was willing to accept volatility to maximise his ability to achieve his goals.*

*From this, I'm satisfied that during the initial advice phase HLAM and Mr F discussed the potential for market volatility affecting his pension assets and the benefits of maintaining a consistent approach as long as Mr F's financial situation and objectives remained the same.*

*HLAM recommended that Mr F invested in these two actively managed funds to help maximise long term growth potential. Having reviewed the fact sheets relating to these funds, I would consider them appropriate given Mr F's stated objectives.*

*Given this, I can't see that HLAM has done anything wrong when it provided Mr F with the initial advice to invest in the two funds that it did.*

*Turning now to look at Mr F's complaint that HLAM did not proactively contact him to tell him about what he considers to be the poor performance of the investments in his SIPP. The evidence I have seen shows that Mr F declined to take ongoing advice from HLAM. It did, however, provide him with regular quarterly statements which showed the performance of all the assets he held with HLAM, including his SIPP. Consequently, I can't see that HLAM did anything wrong here either – it provided him with the information relating to the performance of his funds without providing any advice after the initial .*

*Where the evidence is less clear is in Mr F's contention that HLAM advised him to stay invested in his current funds when he contacted it to discuss his concerns about performance. HLAM contends that it did not provide Mr F with any advice as he had opted out of receiving ongoing advice and did not ask for a formal review at any time.*

*I have listened carefully to the telephone call that took place between Mr F and his adviser at HLAM that took place on 6 July 2022. On balance, I consider that the adviser did indeed advise Mr F to stay invested in the current funds during the call. I've based this view on the fact that the adviser asked Mr F about whether his financial situation or objectives had changed and went on to discuss the causes of market volatility. The adviser went on to say that as nothing had changed he would not recommend Mr F have a formal review of his investments until closer to his chosen retirement date.*

*In terms of Mr F's concerns over recent falls in asset prices the adviser sought to reassure Mr F, saying that the people who suffered the most from drops in asset prices were those that panicked and sold.*

*He also said:*

*In many respects, the best advice I can give you is "don't panic and don't look."*

*Given this, and despite the fact that Mr F did not pay for a formal review and advice, I find that the adviser did indeed advise him to leave his investments as they were.*

*Having said that, I now have to consider whether the advice given in this conversation caused Mr F any detriment and, on balance, I can't see that it did.*

*I've considered that HLAM stated in its communications with Mr F following its response to his complaint that:*

*While past performance is not a guide to future returns, over the long term, the managers of this fund have consistently outperformed peers. They have not changed their process and*

*continue to seek out those companies who have the potential to grow significantly over the long term. We therefore continue to have conviction in the fund and its management team.*

*I've also considered that during the phone call on 6 July 2022, Mr F and his adviser discussed volatility and the fact that his financial situation and objectives remained unchanged. HLAM had also made clear in its initial advice that all investments should be considered long-term, with a minimum 5 year time horizon and at the time of the call, Mr F had been invested for less than half that time.*

*Consequently, I think that it's fair and reasonable to assume that the advice given to Mr F during that call would have been similar to the advice he would have been given in a formal review, had he asked for and paid for one. As Mr F was content at that point to follow the advice he had been given I can't see that any advice he received from a formal review would have meant that he would have done anything different as a result.*

*In conclusion, while I can appreciate that Mr F was dissatisfied with the return he received on his SIPP investment, I can't see that HLAM treated him unfairly or failed to fulfil its obligations to him. As was made clear in the original advice, performance cannot be guaranteed and while the benefit of hindsight might mean that he would have achieved higher returns from different investments, I can't hold HLAM responsible for this.*

### **My final decision**

For the reasons given above, I do not uphold Mr F's complaint.

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

Bill Catchpole  
**Ombudsman**