

The complaint

Mr C complains that Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown ('HLAM') provided deficient services in relation to his investments in gilts, particularly in relation to the information it displayed on its online platform.

What happened

Mr C had an investment account which was provided by HLAM on an execution-only basis. In it he held, amongst other things, a number of gilts, including index-linked gilts.

On 26 February 2024 Mr C wrote the following to HLAM:

'1. When will HL include yield on fixed income? As the platform for new Gilt issuance the lack of this basic metric is very poor.

2. Currently my holding of Index Linked gilts are not valued correctly. You appear to use Dirty Price versus clean price for the valuation. (Please confirm). Having investments valued correctly is [a] basic feature. When will this be resolved?'

On 11 January 2025 Mr C wrote to HLAM saying the problems he raised a year earlier had continued and because HLAM had no plans to resolve them he was considering using an alternative platform. He listed the following issues and asked why HLAM didn't plan to fix them:

'1. No YTM provided on fixed coupon gilts

2. No Real yield on ILG provided

3. No online trading for ILG – your reasons for not providing this is nonsense.

4. Mis-marking of ILG Valuations on the platform (Clean Price – Dirty price paid)'

HLAM said it had treated Mr C's previous communications as feedback but hadn't made any changes. It now treated Mr C's concerns as a complaint and on 11 March 2025 it wrote the following in response:

- HLAM understood Mr C's reasoning for saying it should provide yield to maturity on fixed coupon gilts and real yield on index-linked gilts. But providing those things wasn't a service HLAM offered. It had given feedback to HLAM's relevant team but it couldn't say if or when it would take any action.
- HLAM didn't offer online trading for index-linked gilts. Most index-linked gilts had to be dealt by telephone because their price had to be adjusted for inflation and HLAM's dealers had to contact market makers to get a quote.
- HLAM's platform didn't mismark valuations for index linked gilts. It displayed value based on the clean price. Mr C would receive the dirty price when he got a quote.

Mr C wasn't satisfied. He discussed the issues with HLAM by phone on 27 March 2025. And on 16 June 2025 HLAM gave a further response. In summary is said the following:

- HLAM showed valuations using the clean price '*in line with standard market convention and to ensure consistency across all client reporting*'.
- It was bound by specific regulatory requirements, including to provide market value or estimate value, when the market value is not available, in client statements.
- Mr C could get an up-to-date valuation '*on the dirty price basis*' by requesting an online quote (without committing to trade) or by contacting HLAM's dealing desk.

In conclusion HLAM said the following:

'Whilst we believe that we meet regulatory requirements in the way we display this information, we acknowledge that this matter has caused you concern, and you believe that the way we display this information means that you have to take extra steps to get the information you require. As a result, this is a matter of inconvenience for you. While I would like to reassure you that we are looking at solutions to address the way we display the gain/loss on gilts, I would like to offer you £100 to reflect the inconvenience caused.'

Mr C remained unsatisfied. He referred his complaint to this service. He said the requirements he expected from HLAM were basic, functional and necessary for any assessment of fair value in the gilt market. He said providing clear and accurate valuations was a regulatory requirement and not doing so would be detrimental to many investors. And he said he wasn't necessarily seeking financial compensation for himself, but HLAM ought to suffer a financial penalty if it wouldn't resolve things.

On the specific issues he'd raised about HLAM's service Mr C made the following comments:

- This service had to decide whether HLAM was under a basic regulatory requirement to provide information on its platform showing yield to maturity for conventional gilts and real yield for index-linked gilts.
- It was '*fine*' that Mr C had to telephone HLAM to trade index-linked gilts, but he thought HLAM should provide the service online. And HLAM's explanation for not offering online trading was misleading. Dealers only needed to quote a clean price to execute the trade and '*if clients want the dirty price they just need to do a simple mathematical adjustment*'.
- HLAM could easily have automated the calculation of the dirty price for gilts this – it was just a question of data feeds and implementation.
- In responding to Mr C's complaint about valuations HLAM had conflated quotes and valuations.
- It was true a client could get a quote and then do the adjustment manually – or take the price on the account summary and do the adjustment. But that required understanding of the adjustment and an intervention.
- A screenshot Mr C sent showing HLAM's figure for value, cost, gain, and loss would lead '*any normal investor*' to assume the cost was the amount the investor had paid for the holding, the value was what they'd get if they sold it, and the gain was the

difference between cost and the value.

- A screenshot of Mr C's account summary on HLAM's platform showed unit costs were inflation-adjusted but latest prices weren't. And the overall gain was calculated using both those figures. A disclaimer at the bottom of the page said the prices might not reflect the true value, but it should've said the calculation was wrong. And the summary page which Mr C believed was used more often featured no disclaimer.

One of our Investigators looked into Mr C's complaint. In summary he said the following:

- HLAM showed valuations using clean prices. And that was in line with standard market practice.
- HLAM was bound by specific requirements under the COBS chapter of the Handbook of the regulator, the Financial Conduct Authority (FCA). These requirements included an obligation to tell Mr C the market value or estimated market value in periodic statements.
- HLAM used the mid-market clean price to value Mr C's holdings. It didn't use the dirty price because that wouldn't represent market value – it would represent market value plus accrued interest.
- HLAM appeared to have provided as much information as possible within its capabilities. And a customer wanting an up-to-date valuation could request one online (without having to commit to a trade) or call HLAM's dealing desk.
- HLAM used online rates for index-linked gilt trading but required orders to be made by telephone because the price had to be adjusted for inflation and HLAM had to contact market makers for a quote.
- In response to issues having been raised in the past HLAM had explored whether it could provide information differently. It had plans to make changes, but had postponed doing so until after it migrated its operations to a new system.
- To uphold Mr C's complaint the investigator needed to see both that Mr C had been misled or misinformed as a result of HLAM's action, and that Mr C had – as a result of that – suffered some kind of loss or detriment. The investigator couldn't see Mr C had suffered a loss or been at a detriment due to HLAM's action.
- Mr C thought HLAM ought to display information differently. But there were no rules about how HLAM displayed the information. And it wasn't this service's role to change the way HLAM did that.

Mr C didn't agree with the investigator's view. In summary he said the following:

- Quoting index-linked gilts in clean prices was standard market practice, but providing a valuation which didn't include part of the value couldn't be standard market practice. By doing this HLAM compared apples with pears. And it wasn't meeting regulatory requirements. Doing its best wasn't enough.
- In a business that was driven by technology, it was poor practice to require customers to request a quote online or telephone the dealing desk in order to receive an up-to-date valuation based on the current dirty price. But it would more acceptable if HLAM didn't provide wildly inaccurate valuations on its website.

- Mr C provided information including contract notes from three trades he'd done on HLAM's platform to show how HLAM displayed information.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

I issued a provisional decision in which I said I was minded to uphold the complaint on the basis that Mr C was put to some inconvenience because HLAM's method of showing valuations misled him to a degree. For that I thought HLAM's offer of £100 was appropriate. But I didn't think HLAM had been wrong to calculate its valuations the way it did.

HLAM accepted my provisional decision. Mr C didn't accept it. He said, in summary, the following:

- For index-linked gilts accrued interest and principal indexation weren't analogous adjustments that could reasonably be excluded by reference to clean prices. Indexation of principal wasn't a timing adjustment or a transient accounting component. It was a core element of the capital value of an index-linked gilt, contractually embedded in the instrument. This wasn't a matter of opinion or investment philosophy; it was a matter of basic instrument mechanics.
- In Mr C's holdings indexation represented about 30% of total value. So excluding it from valuation omitted a substantial proportion of the asset's value.
- Mr C had transferred most of his index-linked gilts to another provider. The other provider included indexation of principal in its index-linked gilt valuations. So including indexation of principal was both feasible and adopted by at least one provider in the market. Mr C would be happy to provide screenshots.
- Mr C's position wasn't that clean-price valuation was impermissible *per se*, or that this service should require HLAM to change its practices generally. It was that presenting clean-price valuations for index-linked gilts alongside dirty-price cost and gain/loss figures – without clearly and explicitly stating that principal indexation is excluded – created a materially misleading picture of value. And that couldn't be properly assessed without recognising the scale and nature of what HLAM omitted.

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, my decision remains that the way HLAM presented information to Mr C caused him some confusion, but HLAM's service to Mr C wasn't otherwise deficient in such a way that it unreasonably caused him any detriment. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances, I want to assure Mr C that I've considered all the submissions by both parties including everything Mr C has told this service in writing and by phone. If there's something I haven't mentioned, that doesn't mean I haven't considered it.

My role here is to consider whether HLAM has treated Mr C unfairly or unreasonably in the particular circumstances of this complaint, and what impact any unfair treatment has had on

him, if any. It's not in my remit to consider HLAM's broader treatment of its customers in general, or to require HLAM to make changes to its practices based on how those practices have affected or will affect its customers in general.

It's not in dispute that the online valuations HLAM displayed to Mr C for his holdings of index-linked gilts were calculated on the basis of '*clean*' prices. It's also not disputed that where HLAM showed the cost of his index-linked gilt holdings on the same online page it displayed the full acquisition cost which amounted to the '*dirty*' price. And the figures for gain and loss that HLAM displayed on the same page were calculated using '*clean*' value and '*dirty*' cost.

Mr C has said that in presenting information this way HLAM has provided valuations that were incorrect and misleading. Having thought carefully about this I can't say HLAM was wrong to provide the valuations it gave Mr C. But I find the way it provided them to him was misleading to him.

Both Mr C and HLAM have mentioned that HLAM had a regulatory obligation to give Mr C a market valuation, albeit that obligation related to periodic statements rather than Mr C's account page on HLAM's online platform. More generally, Mr C has said – and I'm sure HLAM would acknowledge – that HLAM had a regulatory obligation to ensure information it provided was clear, fair and not misleading.

The key point of difference here is that HLAM asserts that the market value of a gilt is its value according to the clean price whereas Mr C says the market value is its value according to the dirty price.

Mr C indicated in his complaint to this service that the value to him of a holding at any given time was the amount he'd receive if he were to sell the holding at that time. And that value would include inflation adjustment and accrued interest which were the elements that made the price of an index-linked gilt dirty.

But there's no specific requirement for HLAM to provide a dirty valuation on its platform. I'm aware the Debt Management Office (DMO) provides online calculators which can help investors make the calculations they want to see. And HLAM has said it will provide the dirty value when asked. So I don't think HLAM was obligated to display a valuation based on the dirty price.

Furthermore HLAM indicated that its customers benefited from valuations that were calculated on a clean-price basis. This isn't unreasonable because, for example, valuations based on clean prices can show the performance of a gilt according to market forces, such as supply and demand and the outlook on interest rates, without being affected by factors such as the timing of the coupon payment or changes to the principal due to indexation. So although I understand why Mr C said HLAM didn't allow him to compare '*apples with apples*', it's not unreasonable for HLAM to have given him the valuation it gave him.

I understand why Mr C, in his response to my provisional decision, stressed the difference between accrued interest and the indexation of principal. Accrued interest is cyclical according to the coupon cycle, whereas indexation of the principal is, as Mr C says, a permanent change to the principle. And, as Mr C has indicated, the amount of the accrued interest may be very small compared with the capital increase brought about by inflation uplift to the principal.

But I already said in my provisional decision that HLAM didn't make the basis of its valuation clear enough to Mr C, although, as things happened, the impact of that on him was limited. I understand it would be useful for Mr C if HLAM showed him other data as well (or possibly

even instead) so he could more readily understand the value of his portfolio from an accounting perspective. But I don't think it's unfair for HLAM not to have provided different data, as long as it made clear to Mr C what its service offering was. And that's where, in my view, HLAM fell short here. As Mr C himself has said it was important that HLAM made the basis of its calculations evident. And I've found that it didn't sufficiently do that on this occasion.

HLAM did provide some information that could've helped show how it arrived at the valuations Mr C has complained about. For example in an article on its website called '*What you need to know about buying government bonds (gilts)*' HLAM included the following:

'In practice, once you've bought the gilt, it will reflect as a 'loss' on your account – this is simply because the accrued interest was not reflected in the value shown.'

However, it's not reasonable to expect Mr C to have necessarily navigated to an article such as that one before buying gilts on HLAM's platform. And from what I've seen of the information HLAM provided in Mr C's account area, and what Mr C has said about that, I'm not satisfied HLAM did enough to ensure that when he looked at the figures on his online account summary Mr C could understand what those figures represented and how they were calculated. I also note that the warning I've cited above didn't mention whether an inflation adjustment was factored into the value Mr C's account would display for index-linked gilts. And, as Mr C has said, that would make a significant difference. So although I don't find that the HLAM was wrong to use the methodology it used, I do find it that in the context it was provided it had the potential to be misleading. And I accept that Mr C found it so.

Having said that, I'm not persuaded Mr C was, himself, misled for a significant length of time. In 2024 he contacted HLAM and asked it to confirm whether its valuation was based on the clean price rather than the dirty price. This shows that Mr C was initially unsure what the valuation on his account represented. But HLAM soon confirmed its methodology to him and so cleared up any misunderstanding. Mr C's communications with HLAM and with this service indicate he was a sufficiently sophisticated investor to understand what HLAM was displaying once he'd asked for and received clarification.

As I've said it's not for me to comment on whether any other consumers have been or might be misled by the information HLAM has provided on its platform. Nor is it within my power to require HLAM to change its practices for the benefit of customers more generally. My role here is limited to deciding whether HLAM has treated Mr C himself fairly, in the individual circumstances of his complaint and, if it has not, then to put right any loss or detriment he's suffered as a result of that.

To check his understanding Mr C was put to some trouble. For that I find that HLAM's offer of an apology and £100 is sufficient. It's in line with what this service would award in such circumstances and it reflects the fact Mr C is likely to have experienced short-term confusion and annoyance which cost him inconvenience to clear up. Mr C mentioned to this service that he wasn't particularly affected by this issue personally. It appears to me that in raising this matter he sought to have HLAM do things differently as a matter of principle and fairness.

In addition to the question of valuations, I've considered whether HLAM is at fault for not providing data on yield to maturity and real yield. I'm not persuaded there's any obligation for HLAM to do that. I understand that data on these things is available elsewhere, for example through the DMO website. I realise it would be more convenient for Mr C to have the information applied to his holdings on HLAM's platform. But there's no specific regulatory requirement for that to happen. And taking into account the availability of the information

elsewhere I don't think it's generally unfair or unreasonable that HLAM hasn't provided that information to Mr C itself.

Similarly I don't find that HLAM was under any obligation to give Mr C access to online trading for index-linked gilts. HLAM told Mr C he could trade by phone and it explained why it wasn't set up to facilitate online trading for those particular instruments. I find that to be generally reasonable, and in the absence of any specific requirement for HLAM to offer online trading of index-linked gilts, I'm not inclined to uphold Mr C's complaint on this particular point.

Overall, I understand why Mr C says the features he mentions are important. I don't dispute the significance of the data he's complained about, particularly for a holder of indexed-linked gilts. But that doesn't equate to HLAM having an obligation to provide that information or those services on its platform. I find that HLAM was at fault for not making clearer to Mr C that the valuation it gave him was based on a clean price. I'm satisfied the £100 HLAM offered is sufficient to put right the impact of that on Mr C. But because HLAM hasn't yet paid the £100 to Mr C I'm upholding this complaint and making an award requiring it to do so.

Putting things right

To put things right for Mr C Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown must pay Mr C the £100 it offered for the inconvenience it caused to him.

My final decision

For the reasons I've set out above, my final decision is that I uphold this complaint.

Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown must pay Mr C the amount set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 March 2026.

Lucinda Puls
Ombudsman