

## The complaint

Mr C complains Vanguard Asset Management Limited ('Vanguard') didn't help him access its platform and delayed the transfer of his ISA.

## What happened

Mr C opened a stocks and shares ISA with Vanguard. Vanguard says Mr C opened the ISA on 5 February 2025. And Mr C says he was on holiday in an overseas country when he opened and began using the ISA. Also on 5 February 2025 Mr C deposited £20,000 which he invested that day in an exchange traded fund (ETF).

While still overseas Mr C at first had no problem accessing his ISA through Vanguard's online platform. But he then became unable to log in. According to Vanguard's records his last successful log-in was 17 February 2025. And from 20 February 2025 his log-in attempts were unsuccessful. Mr C says the problem persisted after he came home to the UK. He contacted Vanguard through its online chat service but Vanguard was unable to resolve the issue. Mr C says that, throughout, Vanguard told him the reason he couldn't log in was because of his location in the overseas country.

On 24 February 2025 Vanguard received a request to transfer the contents of Mr C's ISA to another provider.

On 27 February 2025 Mr C emailed Vanguard saying:

*'While I initially found the process of opening an account with Vanguard straightforward and easy, my experience last week has completely changed my perception of your service. Not being able to access my account and sell my shares when I needed to was not only frustrating but also completely unacceptable.*

*The chat support was unhelpful and did nothing to resolve the issue in a timely manner. Given the financial impact this had on me, I would have expected far better service and responsiveness from a company of Vanguard's reputation ...'*

The ISA transfer was complete on 26 March 2025.

Mr C complained to Vanguard. In reply, Vanguard said, in summary, the following:

- It tried to help Mr C by phone and email to access his account. But it could've been '*more concise*' and it apologised for that.
- Vanguard's service was for UK residents and it didn't provide authentication codes for customers in the overseas country Mr C had visited. And this was the cause of Mr C's access problems.
- Vanguard delayed moving Mr C's investments to his new provider. That didn't cause him any financial loss because his transfer was done *in specie*.

- Vanguard upheld Mr C's complaint about its communication around his access issue and its delay transferring his assets. It didn't uphold his complaint about not having access to his account because it was part of Vanguard's terms and conditions that it provided authentication codes for logging in from certain countries only – and the country Mr C visited was not one of those countries.
- Vanguard offered Mr C compensation of £100.

Mr C wasn't satisfied. He referred his complaint to this service. He said Vanguard had told him throughout that his access problem was caused by him being located in the overseas country, but that was clearly wrong because he opened and used the account from that country, and, after the access problem began, it persisted after he returned to the UK.

One of our Investigators looked into Mr C's complaint. During the investigation, in October 2025, Vanguard told the investigator it had now found that Mr C's access problem had been caused by a different issue in Vanguard's system – and it wasn't the case that customers couldn't generally log in from the overseas country Mr C had visited. Vanguard now offered Mr C an additional £150 compensation.

The investigator asked Mr C what if anything he would've done with his investment if he'd been able to log in to his account. Mr C said the following:

*'...had I been able to access my account, I believe I would have sold my holding in the Vanguard S&P 500 UCITS ETF around the middle of February 2025. This was immediately after the American policy announcements that triggered market volatility and a noticeable fall in the S&P 500. I was monitoring the market closely and intended to reduce or exit my position at that point, but was unable to act because of the login failures.'*

*Based on the data available, the Vanguard S&P 500 UCITS ETF fell from approximately £92 per share around 17 February 2025, when I first became unable to access my account, to around £82 by the end of March 2025, when my ISA was transferred to another provider. Representing a decline of about 10% over that period. On a holding of roughly £20,000, this equates to an opportunity loss of around £2,000. This provides a reasonable indication of the financial detriment I experienced as a direct result of being locked out of my account during that time ...'*

Mr C also said the following, on 23 October 2025:

*'Since the transfer, I have retained some of the S&P 500 ETF holding. The significant drop in the fund's value meant that selling at that stage would have crystallised a loss, so I have had little choice but to hold the position.'*

The investigator concluded that Vanguard ought to increase its offer of compensation. In summary he said the following:

- Poor communication from Vanguard compounded Mr C's distress over not being able to access his investments. And Vanguard delayed his ISA transfer. Throughout, Vanguard incorrectly told Mr C that the access problem was due to his location in the overseas country.
- While it was true Mr C's investments remained in the market during the ISA transfer, his shares were losing value during that time and he was unable to do anything about it while he waited for the transfer to be complete.

- Mr C said he still retained a holding in the ETF and hadn't crystallised the loss of value he experienced. So the investigator didn't recommend Vanguard compensate Mr C for any investment loss.
- Vanguard should offer a total of £450 to Mr C. This service would typically expect a payment in that range where the impact of a mistake had caused considerable distress, upset and worry and/or significant inconvenience and disruption that needed a lot of extra effort to sort out, and for impact that last weeks or months or was serious in the short-term.

Mr C said £450 wasn't enough. He said he was unable to access his account during a time in which the ETF he'd bought fell by about 10%. He said that equated to an opportunity loss of roughly £2,000. And he said it was only after the investigator's involvement that Vanguard acknowledge it had given an incorrect explanation. He said, '*The combination of financial detriment, stress, and the considerable time required to reach this stage goes well beyond what I would regard as a simple case of inconvenience.*'

Vanguard said the compensation it had already paid was sufficient and was in line with what this service would award in similar circumstances. It said the period of delay was relatively short, and Mr C hadn't suffered any investment loss. Vanguard mentioned that the delay it had caused to the ISA transfer was seven business days.

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

Having done so, I'm upholding the complaint. 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 considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

Vanguard has acknowledged its shortcomings in this case. It didn't properly address Mr C's problem accessing its online platform, and it caused a delay to his ISA transfer. But neither Vanguard nor Mr C agreed with the investigator's recommendation to put things right. So I've focused my decision here on what compensation is fair and reasonable in light of the impact of Vanguard's shortcomings on Mr C.

Vanguard said Mr C was affected for a relatively short time and so its offer of £250 to put things right was reasonable. Mr C said he suffered a financial loss as well as significant distress and inconvenience. Having looked carefully at all the evidence I don't agree that the impact on Mr C was as limited as Vanguard said it was. But I also don't agree it was as extensive as Mr C said it was.

The ISA delay that Vanguard said it caused amounted to seven business days. That might well be a small delay in the context of the time usually taken for *in specie* transfers. But it was still a significant amount of time for Mr C to be unable to manage his investments. Vanguard said that once he'd requested a transfer Mr C wouldn't have been able to trade his investments anyway. But I think it likely that if Vanguard had dealt more effectively with

Mr C's problem he wouldn't have requested the transfer. Mr C knew Vanguard's explanation for his access problem was wrong because he'd logged into his account from the overseas country before the problem started happening. So it wasn't unreasonable that he lost confidence in the prospect of a prompt resolution. As it was, Mr C continued to be unable to log in during the transfer so he would've continued to be prevented from managing his investments if he hadn't transferred.

It wasn't until some months after Mr C's ISA transfer had been done that Vanguard found there was no general problem with logging in from the overseas country Mr C had visited and that the problem had been a different one. I think Vanguard ought reasonably to have drawn that conclusion much earlier and so helped Mr C with a resolution.

Having said all that, I also don't agree with Mr C that Vanguard caused him the financial loss he claims.

Mr C said he '*believed*' he would've sold his investment '*after the American policy announcements that triggered market volatility*'. Here I'm not persuaded he had, at the time of his access problems, formed a definite intention to sell his investment on any particular date. Mr C hasn't in fact said that he had a firm intention at the time. And he hasn't said which announcement in particular – of the several announcements throughout February 2025 – caused him to make a decision to sell his investment at any particular time.

Mr C told the investigator for this service that after his ISA transfer was complete he didn't sell all of his ETF holdings because he didn't want to crystallise a loss. At that time the price of the ETF units had, on many days, been higher than the price they'd reached in February 2025. So the units he retained had recovered their value. And even if I found that Mr C would've sold his units after an announcement in February 2025 – which is not a finding I've made – I'm not persuaded I could say he'd have been financially better off by having done so.

But it remains the case that Mr C was considerably inconvenienced and distressed over Vanguard's shortcomings in this case. He made reasonable efforts to have his access issues resolved and Vanguard didn't properly address the problem, which meant Mr C continued to be without access to his investment. While I've said I'm not persuaded Mr C would've sold his holding at any particular time, I accept that the market at the time, and the events that influenced the market, were such that Mr C experienced worry. He wanted – reasonably – to know he could monitor and manage his holding as needed. And because Vanguard gave him an explanation that was evidently wrong, he couldn't have confidence that the problem would be resolved. And when the ISA transfer took longer than necessary because of a delay by Vanguard, Mr C's distress and inconvenience was compounded.

Taking everything into account, I find that the £450 in total which the investigator recommended was an appropriate amount to compensate Mr C. Mr C said it wasn't enough because '*the combination of financial detriment, stress, and the considerable time required to reach this stage goes well beyond what I would regard as a simple case of inconvenience.*' But I haven't found that he suffered any actual financial loss. And Mr C can be assured that a payment of £450 is more than this service would generally award for minor inconvenience.

### **Putting things right**

To put things right for Mr C Vanguard Asset Management Limited must pay Mr C a total of £450 compensation.

If any part of that £450 has already been paid, Vanguard Asset Management Limited may deduct that part from the amount it must now pay.

**My final decision**

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

Vanguard Asset Management Limited must pay Mr C the amount specified 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**