

The complaint

Mr L complained about the service he received from Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown (HL) when it came to taking pension benefits, and in particular the financial loss the failures in their service caused him.

What happened

Overview

Mr L held pension benefits in two plans with Provider A that comprised of additional voluntary contributions (AVCs). The total value of his funds being £347,614. Mr L retired at the end of April 2023 and reports he started receiving his occupational pension scheme benefits shortly after that.

It was in 2023 Mr L started looking at taking benefits from his AVC arrangements. This involved contact with the AVC Pension Fund (the Fund) and Provider A requesting quotes and information. Provider A have accepted they caused delay during this process.

On 10 April 2024 Mr L submitted an application form to HL. He intended to take a tax-free lump sum and use the remainder of the funds to purchase an annuity with Provider B using the execution-only services of HL. Ultimately Mr L took his benefits from the AVC plans in mid-August 2024.

Shortly after the funds were transferred to purchase the annuity Mr L instructed Provider B (via HL) to place the purchase on hold. I do not consider I need to make any finding about why, I have seen material and submissions on this and I have not found this a determinative issue.

Mr L complained to this Service about delays caused by HL and Provider A. He considers the time from when he first contacted Provider A about taking his benefits to the time he was able to take his benefits ought to be split into different periods based on who was responsible for delay during each period.

Mr L says that all delay during the period from 2023 up to 9 April 2024 when he submitted his form to HL is solely the responsibility of Provider A.

He says that all delay in the period 10 April 2024 to 1 July 2024 is solely the responsibility and attributable to HL.

Mr L says that delay during the period from 2 July 2024 to 16 August 2024 is attributable to HL and Provider A. Mr L made passing reference at one point to whether Provider B might also have contributed to delay here.

Both HL and Provider A accept Mr L was delayed in receiving his pension benefits due to failures attributable to them and accept this caused him financial loss. They have both identified how they say they will address, calculate and compensate Mr L for his loss. Mr L considers both of their approaches unsatisfactory.

Mr L told us he does not want to complain about Provider B and prior to the time I issued my provisional decision I could not see that he had told us anything about any complaints or offers made to or by Provider B; albeit HL had referred to Provider B paying Mr L compensation for delays to his annuity being set up after they received the funds.

Having issued my provisional decision Mr L has let me know that in September 2024 Provider B accepted responsibility for three days delay and had paid him £100 and interest. Mr L has let me know he did not complain about them as he did not think the material supported a complaint that Provider B had caused additional delay.

We had not been made aware of any complaint being made to the Fund or the Pension's Ombudsman and in my provisional decision I explained I would expect to be informed of complaints made based on the facts here and if any compensation, offers or findings had been made. As I would in respect of any complaints and findings and compensation against any parties arising from these facts, as otherwise there might be an issue in respect of whether there was double or inadequate compensation. Mr L has let us know that in early 2024 he complained to the Pensions Ombudsman about Provider A, but has heard nothing on this complaint and that he went on to let this Service know he wanted us to consider complaints against HL and Provider A together.

Ongoing dissatisfaction with Provider A is not addressed in this decision. Any reference to offers made by Provider A are only included to the extent they are needed to explain my reasoning.

Mr L does not think HL's offer to compensate him is sufficient. Mr L is unhappy about delay caused by HL when it came to setting up the annuity. In particular he has told us he thinks HL should partially reimburse the fee they were paid as they failed to do what they needed to do as they ought to have done.

Given the relatively informal nature of this Service, I am not setting out in any detail a full background. The primary issue that has been referred to me is whether HL's offer is fair and reasonable in the circumstances and whether they have offered enough or not to put Mr L as close to the position he ought to be in, had the errors not occurred, which is my starting point.

Further detail on what happened

HL received Mr L's application for an annuity with Provider B on 10 April 2024. Mr L has let me know his contact with them had commenced very shortly before this date. I have seen reference to HL having forwarded the application the same day to Provider B. I'm not sure this is entirely accurate as there is reference on HL's system to the application having been sent to Provider B on 22 April 2024 (said to be eight working days after submission).

Having seen emails between HL and Mr L on the same day and the days that followed I have seen that at the time Mr L requested assistance from HL in assisting him when it came to the amount of tax-free cash he was to request and how much to use to purchase an annuity, taking into account his Lifetime allowance, prior to then confirming the application. In the days that followed Mr L sent information confirming Provider A's position that they had been wrong to apply a market value reduction.

Mr L is unhappy HL sent the application to Provider A without having obtained and enclosed two pieces of information that he says ought to have accompanied the application. This being the tax reference for the scheme holding Mr L's AVC benefits and an up-to-date valuation of the benefits.

Mr L says he and Provider B chased HL about this, but that HL only supplied this missing information on 1 July 2024. The time involved being over 10 weeks which Mr L says is a delay entirely attributable to HL. HL agree they ought to have done more in this time. On 24 July 2024 Provider A received the request for Mr L's tax-free cash to be paid to him and the remainder to be transferred to Provider B. Mr L says there was further delay caused by Provider A at this time.

In early August 2024 a formal complaint was made in respect of the delay being taken to transfer funds to Provider B. HL were involved in making a complaint to Provider A. Mr L complained the complaint was made without his permission.

Mr L was in contact with HL as he wanted matters to complete in time to obtain Provider B's annuity quote before it expired on 14 August 2024 and to ensure the provider received the sum which he said was above the tax-free limit in time.

On 15 August 2024 £148,278.99 was transferred to Provider B (this being the funds to be used to purchase the annuity).

Thereafter Mr L instructed Provider B not to proceed with the annuity, however in due course things apparently progressed. Mr L also sent documents from Provider B to HL which he thought suggested HL were responsible for some of the delay.

Mr L says that after 1 July 2024 and up until 16 August 2024 when his benefits were paid out there were further errors and delays.

Mr L has drawn attention to the following in summary:

- HL failed to tell him at the time that Provider B had issued a quote on 1 July 2024;
- HL didn't reply or reply promptly to contact from him chasing updates and he points to his email of 1 July 2024 asking for an update (and two subsequent chasing emails) for three weeks, well as in early August;
- HL raised a complaint with Provider A in his name without his knowledge or permission (and Mr L believes this caused his own complaint against Provider A to be delayed and made more complex);
- On 23 August 2023 Mr L says he discovered HL didn't understand who held his AVC arrangement and was responsible for authorising the payment of funds;
- and on the same date HL purported to accept an annuity quote that was too low without speaking to Mr L and contrary to previous instructions he'd provided on not accepting such a quote.

Mr L estimates that HL caused at least two weeks of delays after 1 July 2024, which means Mr L concludes HL caused at least 12 weeks of unreasonable delays in the process up until Mr L received his tax-free cash in mid-August 2024 and his annuity, which has been in payment since September 2024.

HL apologised having investigated Mr L's complaint and acknowledged they ought to have done things differently, and that they missed opportunities to do this. They set out what they intended to do to make things right. HL didn't accept they technically needed to tell him about the quote as it was higher than the quote he had accepted previously.

HL offered compensation to redress the income they say Mr L ought to have received from his annuity if it had been set up when it ought to have been and they said they needed to

pay him an additional sum to reflect the investment returns that would have otherwise and achieved by his tax-free cash.

HL say they that having taken into account their standard timescales they concluded their actions had caused approximately eight weeks delay to Mr L's receipt of his annuity income. HL do not accept they are responsible for any delay after 1 July 2024.

Mr L doesn't think HL offered enough to address the impact upon him and in particular the loss he says he suffered as a consequence. HL and Mr L do not agree on the period of time to be used to calculate the loss caused to Mr L.

Overall HL offered £4,178.43 in total. Comprising of £1,268.64 to represent eight weeks of annuity income they say Mr L ought to have received, lost interest on the tax-free cash element, which was said to be £2,609.79 and £300 to reflect Mr L's distress and inconvenience.

The sum for the loss of annuity income was said to be based on the applied for quote. The sum representing lost interest on Mr L's tax-free cash was reached using the interest rate of 8% simple a year.

HL have identified that the initial quote Mr L accepted from Provider B in April 2024 was for an annuity at a lower rate and involving a lower income than the annuity that was obtained in August 2024. Mr L originally applied for annuity with a rate of 5.69% and an annual income £8,007 (April 2024 quote), whilst his actual annuity was paid at 5.76% and the annual income £8,540.

HL also say that whilst the later quote might have involved a lower annuity rate it involved a higher annuity income.

Mr L takes issue with the way in which HL have referred to what he calls the missing information as "*additional requirements*"; and he has made a number of submissions about the unsatisfactory, unreasonable nature of the service provided by HL. This includes submissions relating to dissatisfaction with usual timescales and HL's adherence to their internal procedures. Mr L submits it is unreasonable to do so where a customer has already experienced delay.

Overall Mr L considers HL failed to recognise they were being paid as the broker to manage the process and this ought to have been proactively done. He characterises the service he received from them as passive and flawed. As such he says that in addition to compensation for financial loss caused by delay, HL ought to also be required to reimburse him a proportion of the fee he paid them for the service provided. HL received £2,372.46 (said to be 1.6% of the capital). Mr L considers this a high fee for an execution-only service.

Mr L takes issue with HL's comment that "*part of his fee is reimbursed through the compensation for poor service, we are satisfied we have also adhered to Consumer duty regulations*".

Mr L considers this a breach of statutory requirements. He considers they are referring in this comment to their offer to pay redress to reflect his financial loss and as such this is a failure to comply with statutory requirements under the Consumer Rights Act 2015 to reimburse as the financial loss sum (representing annuity payments and investment growth) cannot properly include a reimbursement of fees sum too.

Provider A

I am including this short summary to reflect what Mr L says about Provider A and what they have offered as I consider this is relevant when it comes to assessing what has gone wrong and whether compensation addresses financial loss and puts Mr L in the position he ought to now be in. It would be misleading to look at loss compensation in isolation against different businesses where there is said to be shared responsibility as this can lead to over or under compensation.

In early November 2024 Provider A concluded that without their errors and consequent delays Mr L would have been in a position to have taken his benefits and the transfer could have been completed by 21 September 2023.

As such Provider A paid Mr L a sum of £12,312.94 to represent the loss they considered they had caused him because he had been paid his tax-free sum later than he ought to have been. They calculated this on the basis that Mr L would have received a tax-free sum of £216,493.01 if he had received his benefits on 21 September 2023. Using the rate of 8% simple to assess growth on this sum they calculated a loss figure up to the date of 15 August 2024 (which was up to the date when he did receive his tax-free lump sum).

Mr L and Provider A do not agree about everything that happened and when, nor do they agree about what is a fair and reasonable approach to calculate and address the financial loss experienced by Mr L. Provider A does not accept Mr L's submissions that a hypothetical claim date of July 2023 ought to be used for all loss calculations and not 21 September 2023.

In late March 2025 Provider A set out their findings and loss calculations in respect of annuity payments having received information from Provider B. They said and continue to say the earliest date Mr L could have obtained his tax-free cash was 21 September 2023. Provider A considers their approach and loss calculation to be fair and do not offer anything further.

In summary they found:

- £134,499.86 ought to have been transferred to Provider B on 21 September 2023 whilst what actually happened was that £148,278.99 was transferred on 15 August 2024.
- Had the funds been transferred in September 2023 Mr L would have been receiving monthly annuity payments since September 2023. Because this didn't happen Mr L missed out on 11 monthly annuity payments up to the time his annuity actually started in September 2024.
- Had the annuity been started in September 2023 Mr L would have received monthly payments of £683.75. Multiplying this sum by 11 (representing 11 missed monthly payments) leads to a calculated a loss figure of £7,521.25.
- Provider A applied 8% simple interest to reflect the missed growth and loss of use on these 11 months of payments with a sum of £488.68 to be added to the loss sum.
- Provider A paid Mr L the total sum of £8,099.93 (with tax deducted as required) in respect of loss when it came to annuity payments.

Provider A also set out the following information they received from Provider B:

- Had Provider B received Mr L's funds on 21 September 2023 Mr L's annuity would have paid an annual income of £8,205 (with monthly instalments of £683.75).

- Instead Mr L's annuity which was first paid in September 2024 pays an annual sum of £8,504.04 (with monthly instalments of £711.67).

As such they suggest Mr L is not experiencing any ongoing loss.

Investigator's View:

An investigator at this Service considered Mr L's complaint about HL. The investigator agreed that Mr L had experienced unreasonable delay. They concluded that HL had appropriately offered enough to put things right and didn't think HL ought to be required to do anything further.

In summary they concluded HL's hypothetical timeline to be broadly fair and they had adopted a reasonable approach when looking at what had gone wrong and their role and as such had offered enough in the circumstances and their offer was fair. The Investigator didn't conclude that HL ought to have been expected to have done anything further when it came to expediting matters having identified they had contributed to delay being caused.

The Investigator set out some information in respect of the earlier delays caused by Provider A and that Provider A thought they ought to have been able to complete the transfer to Provider B by 21 September 2023. The Investigator didn't think HL's interest or compensation should be backdated any further because HL did not become involved in the process until April 2024. It does not appear Mr L disagrees with this thinking.

The Investigator didn't conclude HL ought to be expected to refund fees paid and they didn't think HL were responsible for the main impact of the delays involved. They considered HL did ultimately provide the service Mr L was paying for, even if it had not been to the standard Mr L expected.

Mr L's response

Mr L didn't accept the Investigators view and asked for an Ombudsman to consider his complaint. He provided further comments and submissions, including some proposed and preferred wording.

Mr L considers HL's task to have been administrative in nature and not inherently complex. Mr L says it's reasonable and logical to expect HL ought to have done more to expedite the process and their own procedures once they realised there had been delay. He says that HL ought to have pulled out all the stops to ensure that neither HL nor anyone else caused further avoidable delay. Mr L does not consider HL's procedures to have been adequate to the situation.

In addition Mr L didn't think this Service's Investigator had sufficiently addressed his legal arguments and stressed his submissions and that he had asked for a partial refund not a full refund of HL's fees. Mr L submits it ought to be the majority of the fee paid to HL.

Mr L says there is a policy consideration to be addressed in respect of his submissions that HL failed to meet a statutory requirement and that any failure by an Ombudsman to tell HL to refund might be characterised as approving of the provision of poor service.

Particularly in respect of Provider A Mr L also says he considers he is experiencing ongoing loss because he would have got a higher annuity if Provider A had not delayed after the Fund sent them an instruction to pay out his funds on 24 July 2024. He points to Provider B's

quote of 1 July 2024 which expired on 14 August 2024. Mr L says this quote provided an annuity rate of 5.86% whilst the annuity rate of 16 August 2024 was 5.76%.

He suggests that he is losing out a consequence on around £175 income a year and that it would have cost an additional £3,000 on 16 August 2024 to purchase the same annuity as the one contained in the 1 July 2024 quote.

Provisional decision

On 7 November 2025 I issued a provisional decision setting out my thinking to give parties the opportunity to respond. In my provisional decision I indicated that subject to anything further I might receive I intended to uphold Mr L's complaint in part and to conclude HL must pay Mr L an additional sum of £200.

HL's response

HL agreed with the conclusions of my provisional decision.

HL have not yet paid any sums to Mr L as he rejected their offer. HL understand and agree that this means any interest payment representing loss of use and investment will continue to run until the date of settlement.

Mr L's response to the provisional decision

Mr L does not accept my provisional decision. Mr L provided further background and information and let me know HL had not paid the compensation offered in October 2024. Mr L stressed his previous submissions and provided further additional points including references to how and why he said HL had failed in their duty to him as a consumer under the Consumer Rights Act 2015 and how this ought to be addressed. Mr L submitted that his understanding of why he thought my provisional decision was wrong in law and asking me to comment further on the application of the Act and how he thought it ought to be applied. Mr L continues to think any decision I reach can or will have wider application.

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.

In addition, I've also carefully thought about everything said and provided. Where the evidence is unclear I make my decision based on the balance of probabilities. Or put another way, based on what evidence I do have, together with the surrounding circumstances, I've thought about what I think is most likely to (or should) have happened.

I have seen that Mr L understands this Service is an alternative to the courts and he understands that it is a matter for him as to whether he wishes to accept the decision of an Ombudsman or whether to pursue his complaint elsewhere.

I am sure the parties appreciate it is not the role of this Service to punish a business. If it is felt that wider processes or procedures need scrutiny this would be a matter for the Regulator (the Financial Conduct Authority) not this Service. I consider each case on its own facts and as such my decision is not considered to be a wider approbation of any procedure or internal training.

Mr L provided a detailed breakdown of what he says happened and when and why he says things weren't done as they ought to have been done. Given the relatively informal nature of

this service as an alternative to the courts I haven't set out or summarised all of this detail and material in my decision. I am not required to do so and indeed the contents of a decision and what I consider relevant and persuasive are matters for me. However I would like to reassure all parties I have read everything that has been provided and said carefully and have taken everything into account when reaching my decision.

I have not changed my thinking from that contained in my provisional decision. I am upholding Mr L's complaint in part and HL are required to pay Mr L an additional sum of £200. I am also confirming the position in respect of HL's offer that I previously accepted as fair, which HL will need to pay Mr L.

It is clear that things did not proceed as they ought to have done when Mr L started the process of taking benefits from his AVC arrangement. This meant that Mr L didn't receive his tax-free cash and start his receiving his annuity in the late summer/ early autumn of 2023 he ought to have done. He was not able to do this until August 2024.

This was a significant and unreasonable delay. I have no doubt Mr L was unhappy, frustrated and concerned during this time. It is clear he was trying to get matters progressed and also that he was trying to clarify information. It ought not to have taken so long. I have no doubt that several businesses played a significant role in the process taking far too long. My considerations here have been focussed on what happened when HL became involved and it is clear that HL contributed to the overall delay when it came to Mr L taking his benefits.

Where a business fails to do what they ought to have done I would expect them to identify any consequential loss occasioned to their customer and adopt a fair approach to ensure the customer is compensated and put in the position they ought to have been in (or as close as possible) had things not gone wrong. This cannot always be an exact science, but I would expect their approach to be fair and reasonable based on the individual circumstances.

Should HL be required to pay additional compensation; to reflect an additional two weeks of delay prior to 1 July 2024 and an additional two weeks of delay after 1 July 2024

HL acknowledged they caused delay to the process of Mr L taking his benefits. They said they had caused around eight weeks of unreasonable delay prior to 1 July 2024 having looked at their usual service standards. HL compensated Mr L for eight weeks of annuity income they say Mr L ought to have received, and eight weeks of lost interest on the tax-free cash element.

Based on HL's findings, they think Mr L ought to have been in a position to have taken his benefits prior to 1 July 2024.

HL accept they failed to meet their own service standards and to do things in a timely manner and as such they did not conduct their business with Mr L as expected by the Regulator, including a failure to provide clear and timely communications to Mr L. Having considered everything said and provided with care I do not require HL to make any further payment here.

Ultimately here my main focus is on whether HL have done enough to ensure Mr L's loss has been fairly and reasonably addressed, and I consider my decision ensures this is done. I am not persuaded it is necessary or appropriate here to split 2023 and 2024 into different periods. Nor do I consider it necessary or appropriate here to identify any additional periods of delay by way of days or weeks that HL might have contributed to. HL failed to provide the service they ought to have done and they failed to act in a timely manner and this delayed Mr L being able to take his benefits.

HL chose to offer to pay compensation based on a sum they said was made up of eight weeks of annuity payments they said he would have otherwise received and interest on his tax-free sum on the basis he would have received it eight weeks earlier (at 8% simple) and I consider this (and importantly the sum they reached) was a reasonable approach when seeking to compensate Mr L for the impact of delay and any financial loss that was occasioned to him.

I am satisfied that Mr L is not left in a worse off position through my approach and he is not in the position of having not been compensated for any financial loss.

I say this because although HL consider they were compensating Mr L for an eight-week period prior to 1 July 2024 I have concluded I need to look at Mr L's overall potential loss given he initially wanted to take benefits in 2023. And in addition to the sum paid by HL, Provider A also made Mr L a payment of monthly incomes they said he ought to have received from September 2023 to August 2024. In other words Provider A considers they also caused Mr L loss in 2024 (and have compensated him for this) during a period Mr L said he considered HL solely responsible for delay. HL's compensation also covers some of the same period.

As such there were payments made to Mr L said to represent two months of annuity payments (of slightly different sums) that Provider A and HL separately thought Mr L ought to have received that were either paid, or there are offers to pay made by both HL and Provider A.

In addition I accept from HL that had Mr L's benefits been crystallised in a timelier manner after he accepted a quote in April 2024, Mr L would have received an annuity at a lower rate. I don't consider any party has substantively submitted that if the delays had not occurred Mr L would have been in a position to have been receiving the 1 July 2024 quote.

Provider A say Mr L ought to have been in receipt of benefits from September 2023, and HL have suggested that Mr L ought to have been able to access his benefits from around mid-June 2024. Mr L's primary submission is that he ought to have received his benefits in early July 2023 (if Provider A had not caused delay) or alternatively he ought to have accessed his benefits around early June 2024 if his submissions on HL are taken into account.

HL told Mr L they were not required to let him know where they accepted a higher annuity quote than the one he had accepted, albeit they felt they ought to have done. I am satisfied this did not cause Mr L financial loss.

I am satisfied that the sums paid and offers to pay in total to Mr L ensure he has not lost out. In addition the sums ensure that by having already had the benefit of the payments, even if I were persuaded he ought to have started receiving his annuity at the rate provided in the 1 July 2024 quote (which I am not), he is not experiencing ongoing loss.

Whilst there are expectations around the time scales taken to complete pensions and investment business, I don't consider it appropriate or necessary here to say HL's approach was not reasonable because they caused any limited additional delay (above that they accept) because I don't conclude there is any outstanding financial loss for which Mr L has not been sufficiently compensated.

Should HL be required to make any further payment (on top of their offer) to Mr L to represent a refund of the fee they received or to reflect his distress and inconvenience

As I previously explained, I consider that HL ought to make an additional payment of £200 to represent a refund of a portion of the fees HL were paid for their work.

I thought about this carefully as I have not found any of the submissions made about this particularly persuasive. I don't consider that any failure in the service provided automatically or inherently means there ought to be a refund (partial or otherwise), and in particular not when financial loss has otherwise been addressed. This does not mean it is not something that ought to be part of the considerations where there has been a failure in a service provision.

Additionally as I've stressed I consider each case on its individual facts and my decision on this case would not be considered wider approbation for any business training, process or service standards. I understand Mr L has lost trust in HL and I can understand that he feels I ought to make additional findings but I don't think that's necessary here when looking at putting things into the position they ought to be.

Here Mr L chose HL and instructed HL to provide a service for him and whether or not their fees for this service might be higher than others may charge, this does not mean that HL are not entitled to be paid the agreed fee for their services. This Service is not intended to be punitive and as a starting point here where the overall service was provided and all financial loss linked to failures in service has been addressed, I considered carefully whether there ought to be any payment made to represent a repayment of the fee.

However I have seen various comments that make me think HL considered part of their compensation paid to Mr L represented or was to be understood to include a partial refund of their fee. For example HL's comment that "*part of his fee is reimbursed through the compensation for poor service*". I don't agree that their loss calculation and payment included any consideration for a fee refund having seen how HL say they calculated eight weeks (39 days).

Nor do I consider the payment made for Mr L's distress and inconvenience included any refund of any of the fee, nor ought it to be understood to have done. I do think the payment was in line with what I'd expect given the apparent impact on Mr L.

Whilst HL might feel (as they told Mr L) that they will have made no money from this piece of work as their compensation was higher than the fee charged, that does not make it unreasonable for them to have addressed loss or the failures in service leading to loss.

Since HL expressed an intention to reimburse part of Mr L's fee, I reflected and have ultimately concluded HL will need to make a further payment of £200 to reflect HL's failure to provide the service they had agreed to provide to Mr L to a sufficient standard. In reaching this sum I have taken into account all of the circumstances and that HL's offer to compensate Mr L for his financial loss and that they did provide the service required, even if not to the expected standard given the delay.

I have seen that Mr L asks me to comment on the application of the Consumer Rights Act 2015 and his submissions on how it ought to apply. Here there is rightly an admission by HL that HL's service fell below the standard it ought to have done. As such I do not consider I have needed to reach any findings on the application of the Act to this complaint. There were failures and I have been able to consider the facts and circumstances to reach a fair and reasonable outcome on the complaint and what HL must do.

I don't consider any additional sum needs to be paid to reflect Mr L's distress and inconvenience.

Putting things right

What HL will need to do

HL offered £4,178.43 in total. Comprising of £1,268.64 to represent eight weeks of annuity income they say Mr L ought to have received, lost interest on the tax-free cash element, which was said to be £2,609.79 and £300 to reflect Mr L's distress and inconvenience. HL must pay Mr L the sums they assessed to be his financial loss.

The sum for the loss of annuity income was based on the applied for quote. The sum representing lost interest on Mr L's tax-free cash was reached using the interest rate of 8% simple a year.

HL will need to pay interest on all sums for which Mr L ought to have had the benefit of as relating to the loss assessment calculation (the sum representing eight weeks of annuity income he ought to have received and lost interest on the tax-free cash element) with interest up until the date of settlement (payment to Mr L) at 8% simple a year.

The approach taken when it came to assessing the figure to represent of eight weeks of annuity income and the tax-free cash total he ought to have received (prior to assessing interest) are fair and must be used in completing the loss calculation. HL are to provide a breakdown of their calculation to Mr L.

If the £300 to represent Mr L's distress and inconvenience has not yet been paid, this must also be paid to Mr L.

HL must also pay the additional sum of £200 to Mr L for the reasons set out above.

My final decision

For the reasons given I uphold the complaint made by Mr L about Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown in part.

I approve of the offer made previously by HL to address loss and his distress and inconvenience. All sums not yet paid in respect of this must be paid as set out above.

HL must also pay Mr L an additional £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 January 2026.

Louise Wilson
Ombudsman