

## The complaint

Mr M complains about being charged a foreign exchange fee by Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown (HLAM). He said he had not been notified that one of his fund holdings would be relisted on the Italian stock exchange after it merged with another fund.

Mr M doesn't think HLAM has treated him fairly and would like it to reimburse him for the fees he has been charged in relation to this.

## What happened

Mr M has a trading account with HLAM. He was notified on 1 November 2024 by HLAM, of a corporate action on one of his funds. Mr M held shares in a fund called Amundi Prime Global UCITS ETF DR fund (PRIW). It was announced by Amundi that it was going to merge this fund with another, and this would happen on 22 November 2024. HLAM informed Mr M of this in its communication and that he had until 21 November 2024 to sell the holding if he wanted to before the funds merged.

On 10 December, HLAM notified Mr M that the fund merger had been completed on 22 November 2024, as planned by Amundi and that his 13,785 shares had been transferred over a rate of 1:1.

Mr M then decided to sell some of his shares, but when he did in December 2024, he was charged a foreign exchange fee of £350.03. It was at this point that Mr M realised the merged fund was not on the London Stock Exchange and had relocated to the Italian Stock Exchange. Mr M then sold the remainder of his holding in March 2025 and incurred a further £839.01 in fees.

Mr M contacted Amundi to try and understand what had happened and why he had been charged foreign exchange fees. The fund managers said to him that there should not be any reason for a foreign exchange fee, as it made two options available on the Italian stock exchange this being a European listing (ETFGLO) and a GBP listing (MWOZGY) of the merged stock. So, if HLAM had sold Mr M's holding using the GBP listing he wouldn't have incurred any FX fees. Mr M complained to HLAM about this.

HLAM replied and said the GBP line that Amundi mentioned was not supported by any significant liquidity or volume that would have been satisfactory for its platform. It said it was therefore not possible to trade that line through HLAM. It clarified that it always looks to make the primary line available to its clients to maximise the liquidity of the security in question. The primary line on this occasion was the European listing. It said it went for the line that had multiple market makers available to ensure best execution. It said the line it dealt in was the only option to do this. It didn't uphold Mr M's complaint. Mr M was unhappy with this and referred his complaint to our service.

An investigator looked into what had happened. She said she didn't think HLAM needed to take any action. She said HLAM said it did not know of the move to the Italian Stock

Exchange before the effective date of the merger. She said she could not hold HLAM accountable for something it had no prior knowledge of.

The investigator concluded that when Mr M went to make the trades, he was given a link to HLAM's terms and conditions that provided details of the charges. She said on requesting a quote, the foreign exchange charges would have appeared in a pop-up box.

Mr M was not in agreement with the investigator's view. He made the following points:

- He said as soon as the shares were listed abroad, something which he had no advance knowledge of his investment was immediately worth less to the tune of the FX fees.
- Amundi (the fund managers) said to him the merger would result in him having something similar and it made changes to save costs, but HLAM put him into a line that cost a lot more.
- He only realised there was an FX fee when he saw it on a contract note.
- Amundi stated there was a GBP line available all along, but HLAM put him into the fee accruing euro line instead.

Mr M concluded that HLAM did realise that the line was denominated in euros that would incur him huge fees, not in his best interests. Or alternatively, it didn't realise this was the case, and it failed in its due diligence. But in either scenario, it has failed in its obligations towards him.

I issued a provisional decision on this complaint on 3 December 2025. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

*"The crux of Mr M's complaint is that he was unaware that he had been charged FX fees until after he had sold shares in the merged fund. So, I looked into this.*

*I looked first at the communication sent out by HLAM to its clients, including Mr M about Amundi's plans to merge two of its funds. HLAM sent out its communications on 1 November 2024, and provided a deadline of 21 November 2024, for Mr M to take any action he saw fit, before the merging of the funds took place on 22 November 2024. But crucially, there was no information provided and no forewarning that the merged fund would be relocated on the Italian Stock Exchange.*

*Up until recently, HLAM said that it was also not aware of this, but I have been able to see the information that HLAM did receive on 16 October 2024, by the fund managers Amundi. In this letter that it sent out to all its clients (HLAM being one), it said clearly in bold that the merged fund would be listed on the Italian Stock Exchange.*

*I went back to HLAM and asked it about the communication it received from Amundi. HLAM said it was sorry and that it had been made aware the fund was going to be listed on the Italian Stock Exchange.*

*HLAM said it did inform Mr M when the merge took place and at the time he sold his shares that the shares were on the Italian exchange and that he would incur FX fees. But I think it ought to have told Mr M about this, before the fund merger took place, in its communication of 1 November 2024. Mr M could not make an informed choice about his shares before 22 November 2024 because of a material omission from HLAM, and so I am currently persuaded HLAM made a mistake here.*

*In light of what HLAM said, our service went back to Mr M and clarified what he would have done if he had known about the merged fund being listed on the Italian exchange before 22 November 2024, and Mr M has been quite clear - that he would have sold all of his shares, as he would have been concerned about incurring FX fees. As this has been the crux of his complaint all along, I am satisfied that this is what he would have done.*

*So, I currently think HLAM needs to put things right here. I will go on to describe how I think it can do this. “*

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

HLAM responded on 5 December 2025 and said it maintained its clients were sufficiently warned of FX charges and these would apply to overseas trading, but it would be willing to accept my decision in order to close Mr M's complaint.

HLAM said it didn't think my proposed redress fairly compensated Mr M. It said the discrepancy was that it did not state the FX fees would apply. It said a fair resolution would be if it refunded the FX charges, as this would put Mr M back in a position, he was expecting to be in. It said it was also happy to pay £300 distress and inconvenience.

Mr M responded on 6 December 2025 and said he had identified some mistakes in my decision that he wanted to highlight. These are:

- There is a statement about a pop-up box. He clarified that the deal wouldn't go through in the normal way. He said he phoned HLAM to ask why and was told he should just do a 'fill or kill', which allowed for him to give consent for a sale at a given price. He said it was only post execution that he was sent a contract note detailing fees.
- In a bullet point, I said it was Amundi that switched him into the Italian listed line, whereas this was HLAM.
- There was a typo in another paragraph that should read 'HLAM did realise..' rather than 'HLAM did not realise...'

### **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 carefully read both parties submissions, and after doing so, I have not been persuaded to change my mind. I uphold Mr M's complaint, and I require HLAM to put things right.

I will though respond to the points made by HLAM and Mr M, that they made in their respective responses.

### **HLAM's response dated 5 December 2025**

HLAM said it was willing to accept my decision. But by maintaining it had sufficiently warned its clients of FX charges and then offering alternative redress, it hasn't in reality done that.

I would like to be clear that I didn't draw any findings about how clearly it communicated what its FX Fees were to its clients, for overseas trades. My findings were specific to Mr M's complaint and in relation to the corporate action, where Amundi merged two of its funds. It relocated trading of these funds to the Italian stock exchange, but as I concluded in my provisional decision, HLAM did not forewarn or provide any information about this to Mr M before the merger happened.

HLAM were in receipt of this information but didn't pass this on to Mr M. This mattered because Mr M has been clear that he would have sold all his units before the merger deadline, if he had been made aware.

It would not be fair and reasonable for HLAM to simply refund the FX charges. This is because it wouldn't put Mr M back in a position he would have been in but for its mistake that I have described above. I am satisfied that my method for HLAM putting things right given below, does do that.

### **Mr M's response dated 6 December 2025**

I have read Mr M's comments and have taken them on board. To clarify though, I did take into consideration his comments about the pop up box, before I drafted my provisional decision. I was simply summarising the conclusions drawn by the investigator.

I understand why Mr M wanted to clarify what happened here, but it makes no difference to the outcome of his complaint. This is because, even if he had seen a pop-up box (which I acknowledge he said he didn't), I still would have drawn the same conclusions about what happened in relation to the information he didn't receive about the corporate action.

I have amended my section on what happened to incorporate his two other points.

As I said earlier, I am not persuaded to change my decision or how HLAM can put things right, so it now needs to do this.

### **Putting things right**

HLAM has made a mistake here and I think it would have mattered to Mr M. It needs to look at whether Mr M made any investment losses but for the mistake it made.

I also think HLAM could reasonably have clarified what had happened to help inform a quicker resolution to Mr M's complaint. By not doing so and relaying to Mr M misinformation throughout his complaint about what it was and wasn't aware of, has, I think, caused him avoidable stress and worry. So, I think it should make a payment to Mr M for the distress and inconvenience it has caused here too.

To put things right Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown should:

- Calculate what the proceeds of all Mr M's shares would have been on 21 November 2024 using an average price for that day, if he had sold them, before the fund merger. Subtract from this total what Mr M did receive when he sold his shares. If there is a positive balance after this calculation, HLAM should pay this to Mr M.
- Pay Mr M simple interest at 8% from 21 November 2024 to the date Mr M sold his shares, if there is a positive balance as I have described above.
- Pay Mr M £300 for the distress and inconvenience it has caused him, for the reasons I have given above.

**My final decision**

My final decision is that I uphold Mr M's complaint. I direct Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 February 2026.

Mark Richardson  
**Ombudsman**