

The complaint

Mr T complains that Hargreaves Lansdown Asset Management Limited (“HL”):

- Failed to provide essential risk management tools, namely stop-loss and trailing stop-loss functions for overseas shares.
- Failed to clearly disclose this limitation before he placed orders to buy overseas shares.

He wants HL to compensate him for the trading losses he’s made as result of this limitation, (£200,000) and to compensate him for the time and stress involved in manually monitoring volatile markets.

What happened

Mr T opened a fund and share account and a stocks and shares ISA account with HL in 2020. He traded in various overseas securities which he says resulted in losses. He says these losses would have been mitigated had HL offered stop-loss and trailing stop-loss facilities.

HL said it only offered this functionality for UK shares and that Mr T would have been aware of this before he invested. It said it offered a watchlist service to help clients monitor their overseas shares. It said Mr T’s accounts were execution only and that market volatility is a feature of investing.

Our investigator didn’t recommend that the complaint should be upheld. She said HL wasn’t obliged to offer stop-loss and trailing stop-loss services and that the types of orders it offers were clear from its terms and policies.

Mr T set out in some detail why he didn’t agree with our investigator’s conclusion. In short summary, he said:

- HL marketed its overseas share dealing service in a way that reasonably created an expectation of parity with UK dealing. And it didn’t provide a clear disclosure at the point of trading that stop-loss order types weren’t available.
- The failure to offer these types of orders for overseas shares caused foreseeable harm. That harm could have been prevented by providing a clear warning before trade execution.
- HL is still required to provide clear communications for execution only services.

And he referred to decisions published by this service which he said showed execution only platforms can still be required to provide redress where avoidable harm is caused; and that stop-loss mechanisms are treated as material to outcomes in trading complaints.

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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and in my own words. Mr T's submissions are detailed, and he has referred to, amongst other things, specific regulatory rules and principles and specific published ombudsman decisions. I have fully considered everything he has told us. But I'm not going to respond to every point he's raised or comment on each principle, rule or policy term that is relevant to his complaint. That isn't because I haven't taken into account what Mr T has said, but because my role is to focus on what I consider material to the outcome of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Secondly, my role is to resolve individual disputes between businesses and consumers. I don't have the power to tell a business what services it should offer, how it should treat all customers, or how it develops its internal policies. That's a matter for the regulator, the Financial Conduct Authority (FCA).

Mr T has referred to "*stop-loss*" and "*trailing stop-loss*" facilities. For ease I'll refer to both of these tools as just "*stop-loss*" throughout the rest of this decision.

Obligations on HL to provide stop-loss facilities

HL provides a share dealing service. Whilst stop-loss tools can be a useful way to manage risk, by capping potential losses without the need to constantly monitor market prices, I find there is no legal or regulatory obligation on HL to provide stop-loss facilities. During the period Mr T has had accounts with HL, HL has provided this facility for UK shares only.

Did HL make its service clear?

As our investigator explained, HL's terms refer clients to its stop-loss information and terms on its website. The information includes a boxed statement which says that:

"Limit and stop-loss orders are only available on UK listed stocks currently...."

This is repeated in the limit order and stop-loss terms.

I agree with what Mr T says – that a statement in the terms and conditions doesn't necessarily mean a customer would be aware that the stop-loss facility wasn't available for overseas shares. Whilst he was directed to read all of the terms before he opened an account, the terms and additional information are quite lengthy. So I wouldn't expect Mr T to have remembered in detail every aspect of the terms and conditions.

I would expect HL to draw Mr T's attention to any term that would be of particular importance to him. But there's no evidence that Mr T asked HL about overseas trading, or its stop-loss facilities, so HL wouldn't have known this was of particular concern to him.

But I think the availability of a stop-loss facility was important to Mr T. I say that because he told us he couldn't manually monitor prices, understandably, and that he knew the shares he was buying were subject to market movements which were often volatile, and outside of UK dealing hours. So I don't think it's unreasonable that Mr T would have made sure he read

what HL said about its stop-loss facility on its website. And I find it was reasonably clear from this information that the facility was only available for trades in UK shares.

Should HL have provided warnings at the point of trading?

Mr T says it should have been made clear when he placed his overseas trades that a stop-loss facility wasn't available. And he should have received a warning before he placed any trades that, because there was no facility in place to automatically monitor the price of his shares, he would need to manage any downside risk himself.

Taking into account my finding above, Mr T should have been reasonably aware that a stop-loss facility wouldn't be available on any overseas investment *before* he placed any orders. When he placed an order to purchase overseas shares, I find it would have been clear that he was placing an "at best" order. A stop-loss instruction would need to be given at the point the order was placed. So, as this option wasn't shown, it was clear it wasn't available on his trade.

I find that HL's website and terms make it reasonably clear that "*The value of investments, and any income from them, can fall as well as rise so you could get back less than you invest*". And that, before Mr T placed his order, he would have received the message, "*Please ensure that you are familiar with the risks of investing and have seen the costs and charges*", and that there was a link to information about investment risks. I don't think HL needed to tell Mr T that he would have to monitor prices. I say that because he reasonably must have known there was no option for a stop-loss facility on his order. And that he had an execution only account, so he was responsible for trading decisions on the account and for monitoring the performance of his investments.

I think it's also important to note that Mr T traded in an overseas investment in 2021, and he found that manual monitoring was impractical given price volatility and overseas trading hours. Despite this outcome, he decided to trade in three other overseas stocks in 2024.

Did HL treat Mr T fairly?

I find the nature of the share dealing service and the nature of overseas investment carried risks. I'm satisfied that the information provided by HL – before and when he agreed to open his accounts, before and when he decided to place orders, and on its website on an on-going basis – gave Mr T enough information for him to understand the risks of investment, and the additional risks of overseas investment. I'm further satisfied that he reasonably understood, before he purchased overseas shares, that there was no automatic mechanism in place to monitor the share price and to limit any losses.

I find that, whilst Mr T suffered a perceived "poor outcome" (in that he says he made a loss on his overseas trading), I don't think this is as a result of a failing by HL. I say this because it had given enough information for Mr T to reasonably understand the risks involved which might lead to that outcome.

Overall, I'm satisfied that HL has treated Mr T fairly when executing his overseas trades.

In reaching this conclusion, I've also taken account of HL's obligations under the Financial Conduct Authority's Consumer Duty standards for the trades which took place after 31 July 2023, when the duty became applicable.

Mr T's reference to other decisions

In his response to our investigator's view of the complaint, Mr T referred to other ombudsman decisions. He says these demonstrate that, firstly, execution only platforms can still be required to provide redress where avoidable harm is caused; and, secondly, that stop-loss mechanisms are treated as material to outcomes in trading complaints.

Mr T traded on an execution only basis. So he was responsible for his trading decisions. If HL did something wrong, including not providing enough information for Mr T to make an informed choice about his share dealing, I would expect HL to put Mr T back in the position he'd be in if a mistake hadn't been made. But I don't find HL did anything wrong here, so I don't find it needs to provide redress, regardless of the execution only nature of the service.

This service does receive complaints about stop-loss orders. And, where a stop-loss facility is available, we would expect it to work as advertised. But in Mr T's case, the stop-loss order was never available on his trades.

So I don't find the decisions he's referred to make any difference to the outcome of his complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 20 April 2026.

Elizabeth Dawes
Ombudsman