

The complaint

Mr F complains about losses he has experienced following two failures of the online systems of Vanguard Asset Management Ltd (“Vanguard”).

What happened

I issued a provisional decision on this complaint last month. In that decision I explained why I didn’t think the complaint should be upheld. Both parties have received a copy of the provisional decision but, for completeness, I include some extracts from it below. In my decision I said;

Mr F holds pension savings in a self-invested pension plan (“SIPP”) with Vanguard. He has complained about two separate system errors that he says have caused him financial loss. Each of those complaints has been made separately. But given their proximity, and similar cause, I think it appropriate that they be dealt with in a single decision.

On 3 March 2025 Mr F wished to buy some exchange traded funds (“ETF”) via his SIPP. He says that he faced repeated errors as he attempted that purchase requiring him to restart his purchase or refresh the webpage. However later Mr F noticed that the transaction had actually been processed ten times. Three purchases of other investments that Mr F made around the same time were completed correctly.

When Mr F spoke with Vanguard it confirmed that it had faced some system errors and that it would arrange to correct Mr F’s holding. It sold the duplicated purchases on 7 March. However, by then the price of the investment had fallen so Mr F experienced a loss of around £53,177.15. Vanguard refunded that loss, together with the dealing costs Mr F had paid around two weeks later. But Mr F complained that only nine of the ten purchases of the ETF had been reversed, and that he had been unable to sell the other three purchases he had made that day whilst the corrections were being completed.

Vanguard accepted that it had caused some inconvenience to Mr F and paid him £300 as compensation. But it said that it thought it was correct in not reversing the purchase that Mr F had intended of the ETF nor had he been prevented from making other transactions at that time. Unhappy with that response Mr F asked us to look at what had happened.

Vanguard experienced some further systems problems – resulting in a full outage of its online dealing system – on 7 April 2025. Mr F had attempted to purchase some ETF investments around 8:15am that morning. When he found out about the problems, he called Vanguard to ask if his purchase could be made by phone, but Vanguard said that wasn’t possible. Vanguard says that its systems became operational again around 11:30am.

Mr F complained to Vanguard that the price of the investment he intended to purchase had risen during the system outage. The following week Vanguard apologised to Mr F for the problems but noted that he had not completed his intended purchase in the intervening period. It said that, as a result, it wouldn't be able to consider offering him, any compensation for any investment losses he was claiming. But, as an apology for the problems, it paid Mr F £25. Again unhappy with that response Mr F asked us to look at what had happened here too.

The investigator said that she thought what Vanguard had done to put things right in relation to the duplicated purchases was fair and reasonable. And Mr F accepted those findings. So, it doesn't seem there is any further dispute about that part of the complaint. But for completeness I will provide some brief thoughts on what happened.

It is clear that Vanguard experienced some system problems on 3 March. Those problems resulted in it appearing that transactions Mr F had attempted had failed and so he understandably re-entered them into the online system. But the transactions hadn't failed so Mr F ended up with ten purchases of the ETF rather than the one he intended. It is understandable, particularly given the value of those transactions, why he would have been so concerned about what had happened.

But Vanguard has put things right. It has reversed the duplicated purchases and refunded the difference between the purchase and selling prices. It has also refunded the dealing charges that Mr F needed to pay. And Vanguard has paid Mr F £300 for the distress and inconvenience that he was caused.

I haven't seen anything that makes me think Mr F was unable to make further purchases and sales on his SIPP whilst the corrections were being made. And it seems right that, since Mr F always intended to purchase the ETF, one of the duplicated transactions should be left uncorrected. So, I think that what Vanguard has done to put things right is entirely in line with what I would have directed had no corrections been performed. So, I don't currently think that any further compensation is required in relation to what happened in early March 2025.

I'm sorry to tell Mr F that I don't currently agree with our investigator's findings in relation to the system outage that occurred on 7 April. I don't think there are any reasonable grounds to direct Vanguard to pay Mr F compensation as I will now go on to explain.

When he opened the SIPP, Mr F would have agreed to its terms and conditions. I have reproduced below those terms that I think are of particular relevance to this complaint.

- 6.1.3 *We will not be legally responsible to you:*
- If you suffer a loss because you are unable to place an instruction while our online and other systems are unavailable due to maintenance or upgrade (and we may not always be able to give you advance notice when such an outage may occur).*
- 6.1.5 *We cannot guarantee access to or the ability to trade on your account at all times or without delay.*
- 6.1.6 *If we are unable to fulfil or execute your instructions because of an external event or legal requirement, we reserve the right to defer your instructions or to cancel them and hold the money as cash within your account. In*

certain circumstances, this may negatively impact the price at which your trade is executed.

I've thought carefully about those terms and whether I would consider them to be fair and reasonable. Firstly, I don't think it is unreasonable to expect that, from time to time, complex systems might become unavailable whether because of upgrades or maintenance activities that don't complete as expected, or because of external factors such as more general network or component failures. And because of that I think it would be unreasonable to expect Vanguard to provide any guarantee that its systems would be always available without any interruptions.

I think we also need to consider the nature of the investments that Mr F held here. His investments were pension savings that were designed to be held over an extended period of time in order to provide an income in retirement. So generally, it would be expected that any investments were viewed as longer term, rather than might be the case with "day trading" type approaches where buying and selling is more time critical.

I think the terms I've set out above clearly relate to the problems that Mr F experienced on the morning of 7 April. He wanted to place a purchase instruction, but Vanguard's online systems were unavailable. But the terms warn Mr F that might sometimes be the case. Vanguard's terms tell him there is no guarantee that he will be able to trade at any time. And they say that if it is unable to execute any instructions he has given, or wants to give, Vanguard would not be liable for any losses due to any delays that occur.

I have thought carefully about the conversations Mr F had with Vanguard following his complaint. On those calls Mr F was clearly told that Vanguard wouldn't be able to consider any compensation in the form of "best pricing" as he hadn't made his intended purchase within 24 hours of the systems becoming available. But I don't think that means Mr F should have been told about that beforehand – or when he wanted to place his trade.

As I have set out above Vanguard's terms and conditions, that Mr F accepted and that I think are fair and reasonable, preclude any liability for losses due to the unavailability of its systems. But it seems from time to time, that Vanguard might choose to pay some compensation as a goodwill gesture. But I think it only reasonable to conclude that such compensation would be considered on a case-by-case basis – there is nothing in the terms (or anything that was told to Mr F) that would imply such compensation was guaranteed or required to be paid.

I can understand why Mr F is so disappointed that he was unable to make his intended purchase on the morning of 7 April. By the time the systems became operational the price of his intended purchase had risen. Mr F says that the price rise made the purchase unattractive at that time. But it is possible that, had he proceeded with his purchase at the higher price, Vanguard would have compensated him for the difference.

But as I've explained that possible compensation was never offered, nor can I have any grounds to conclude it would have been. At most Vanguard has told Mr F that, had he completed the purchase, it would have considered whether to apply a "best pricing" to the transaction. That isn't something however that it should be required to do.

I know that Mr F will find these provisional findings very disappointing. But I haven't seen anything that suggests Vanguard is required to compensate him should he be unable to trade due to its systems being unavailable. And I don't think any goodwill gestures that it might have chosen to offer places any obligation on Vanguard to make Mr F aware of that possibility before he took any corrective actions – to do so would allow Mr F to essentially make the purchase with the knowledge that a profit was guaranteed.

Vanguard has paid a small amount of compensation to Mr F for the inconvenience he was caused by the unavailability of its systems. But as I've set out above, I don't think Mr F was entitled to expect any compensation of that nature from Vanguard. So, I don't currently think Vanguard needs to do anything further in respect of this aspect of Mr F's complaint either.

I invited both parties to provide us with any further comments or evidence in response to my provisional decision. Vanguard has said that it agrees with my provisional findings and has nothing further to add. Mr F has said that he doesn't agree with what I have said and has provided some additional comments across two responses. Although here I am only summarising what Mr F has said I want to reassure him that I have read, and carefully considered, everything he has told us.

Mr F has expressed surprise that, despite no new evidence being introduced, I have reached a different conclusion to our investigator. He says that this Service is not bound to determine complaints solely by reference to contractual wording, but rather by what is fair and reasonable in the circumstances. Mr F thinks that Vanguard's actions fell short of what might be expected by its regulator who says firms need to pay due regard to the interest of their customers and treat them fairly. He says that following the systems failure Vanguard declined to assist him, refusing to accept his purchase instruction by phone.

Mr F says that his complaint demonstrates repeated systems outages that indicate Vanguard had failed to take reasonable steps to prevent customers being disadvantaged by known system weaknesses. And he says that Vanguard's failure to make him aware of the possibility of best pricing had he dealt later in the day worked to his detriment. He says that my role should be to consider what would have happened had nothing gone wrong – in this case he says that it is clear he would have completed the purchase transaction. Mr F thinks that Vanguard's contractual terms might fail the reasonableness test that is set out in the Unfair Contract Terms Act 1977.

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.

As I set out in my provisional decision, in deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr F and by Vanguard. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

And I repeat my reflections on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to

put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I've thought carefully about the additional comments Mr F has provided. I'm sorry to tell him that his further comments haven't caused me to change my mind about his complaint. But I hope it will be helpful if I provide some additional thoughts on the points that Mr F has raised.

Once an investigator has issued their assessment, either party is able to ask that an ombudsman consider the complaint afresh. The ombudsman will conduct an independent review of all the evidence that has been provided by both parties before reaching their own conclusion on whether or not the complaint should be upheld. In some cases the ombudsman will reach a different conclusion to that of the investigator as has happened here. And whilst I understand why that will be frustrating for Mr F I am satisfied that the conclusion I have reached is fair and reasonable.

As I set out in my provisional decision I didn't simply accept the contractual terms as set out by Vanguard as my reason to not uphold the complaint. I first considered those terms and conditions and found them to be fair and reasonable. I didn't think it unreasonable that a firm such as Vanguard should protect itself from the unlimited liability that might arise should it be unable to offer its services at all times. So whilst I have said that Vanguard is relying on its terms and conditions I also think its actions to be fair and reasonable in the circumstances that arose.

I accept that Mr F would have been disappointed that Vanguard told him it wasn't able to accept his trading instructions by telephone. There are likely to be many reasons for that decision. It might be that Vanguard does not consider its telephone verification methods to be strong enough for taking large dealing instructions that are generally irreversible. Or it might be that Vanguard was also reliant on the very dealing platform that was unavailable to Mr F when looking to place trades. Whatever the reason I think that Vanguard clearly set out for Mr F that, at certain times, it might not be able to trade on his behalf.

Mr F is correct that, should I find Vanguard had done something wrong, I would look to place him back into the position he would have been. So, if I had found that Vanguard had acted unfairly I would look to compensate him for the missed purchasing opportunity. But as I have explained above I don't think Vanguard's actions were unreasonable. I think they were in line with both the terms and conditions and what is fair and reasonable. So I don't think there is any error that needs to be put right.

I don't think the two problems that Mr F experienced, around five weeks apart, were likely to be of the same cause. It seems the first problem was in him receiving confirmation that his trading instruction had been accepted – he actually made ten successful trades at that time. Whereas the second problem was that he couldn't place a trade at all. Whilst I am sure Vanguard will have been disappointed that these problems occurred I haven't seen anything to make me think they are representative of a more fundamental problem with its systems.

So I remain of the opinion that Vanguard doesn't need to pay any compensation to Mr F in relation to the systems problems he experienced in April 2025. And I think what Vanguard has already done in relation to the problems that occurred in March 2025 is fair and reasonable. So my decision is that this complaint should not be upheld.

My final decision

For the reasons given above, and in my provisional decision, I don't uphold the complaint or make any award against Vanguard Asset Management Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 March 2026.

Paul Reilly
Ombudsman