

The complaint

Miss L complains how Hargreaves Lansdown Asset Management Limited (HL) communicated corporate actions affecting shares she held.

What happened

Miss L has a Lifetime ISA (LISA) with HL, which she opened around April 2021. She later purchased shares to hold within her LISA in a company who I'll refer to as "B".

B had agreed to the sale of its business to another firm which led to it returning capital raised from those sales to its investors. It also communicated at the time it intended to delist from the exchange it traded on as it had no plans to resume trading.

On that basis B first issued a corporate action to its shareholders, which HL sent to Miss L on 30 January 2025, notifying of a share buyback scheme. If instructed, Miss L would, for up to 52.98% of shares sold, be able to receive 11.5p for each share.

A second tender was issued by corporate action, which HL sent to Miss L on 22 April 2025, to say that it would buy back further shares for 11p for each share, this time up to 70.9% of an individual's holdings.

A delisting notice was then issued, which HL sent to Miss L on 30 May 2025, to say that B would be delisting from the exchange it traded on.

HL didn't receive any instructions from Miss L which led it to take no action on her shareholding in B. Miss L says she hadn't seen those communications and only found out about them when her solicitor tried to access those funds as part of her home purchase.

Unhappy with what had happened Miss L complained to HL to say she felt HL had a duty of care to ensure she'd seen those communications. In her view there would be no reasonable situation for someone to allow the tender to lapse, that HL needed to have taken more steps to communicate with her, and ought to have by default responded on her behalf to the corporate action.

HL considered her complaint but, other than offering £50 for a delay in sending the second tender communication, didn't uphold the issues she complained of. It explained this was because it had sent secure messages and emails at each stage and that those had clearly set out in the title the importance and urgency of them. In HL's view it hadn't acted unreasonably by taking no further action to communicate or sell her shares.

Dissatisfied with HL's response to her complaint, Miss L asked our service to look into the matter further. One of our Investigators considered her complaint but didn't think it should be upheld and endorsed the offer HL had already made. He explained this was because he was satisfied that HL took reasonable steps to communicate the corporate actions, sent those in line with Miss L's communication preferences and that HL couldn't act without her instruction.

Miss L disagreed with our Investigator's conclusions, explaining that she didn't think it was enough for HL to have sent emails, and that it should've sent letters as well with a clear warning about what was happening. Our Investigator didn't change their view of the matter and as an agreement wasn't reached, the complaint was passed to me to decide.

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, while I understand Miss L's position and why she feels HL ought to have done more, I won't be upholding it. I know my decision will be frustrating and disappointing for Miss L, and I'd like to explain why despite her view on this matter why I'm not directing HL to do anything more than it has already offered here.

HL provides services to Miss L on what's called an "execution-only" basis. That means HL will only execute the transactions Miss L asks it to make. HL can't then make investment decisions on Miss L's behalf or take any action without her instruction or consent. HL holds Miss L's shares as "nominee" which means its details were recorded in the share registrar for B, with Miss L being the beneficial owner of them. As HL is recorded in B's share register and doesn't know who the beneficial owner would be, here Miss L, that means when corporate actions are issued by companies, it is the nominee, here HL, that notice is sent to.

As HL received that information in my view it would need to in order to meet its obligations to pass on information it receives about Miss L's shares onto her. It isn't in dispute that HL did so through emails and secure messages to Miss L. HL set out in its terms at A18 that when doing so, it will use reasonable endeavours to notify Miss L of information it receives and when needed, obtain instructions for her to act, such as corporate actions.

The use of "reasonable endeavours" here in my view is of key importance. I say this because HL makes no assertions that it will by any means necessary seek Miss L's instructions through that term. HL then is in effect saying it would only look to take reasonable steps to pass on such communications.

I understand Miss L says HL could've done more here given the consequences of her not seeing those messages. She's right in that practically HL could've taken additional steps to ensure the message had been received and read, but I'm not persuaded that it was obligated to do so. I say this because when Miss L opened her account with HL she opted for its paperless service, specifically email. Having reviewed the evidence provided I'm satisfied HL sent Miss L the corporate actions in the manner she'd asked it to and had also posted secure messages on her HL account. The logs HL have provided demonstrate those messages included within the titles that "a deadline applies so please read without delay".

Given HL communicated those corporate actions by email as Miss L had asked it to and had also sent a message to her platform account, both of which were clearly marked as important and urgent, I'm satisfied then HL took fair and reasonable steps to communicate the corporate actions it received to Miss L.

It follows then I can't fairly hold HL responsible for Miss L not realising that these messages had been sent to her nor am I persuaded it needed to attempt other means of communication.

I've also considered whether HL ought to have sold her shares on her behalf given the circumstances that if she didn't she'd likely lose out significantly. But I'm not persuaded I can fairly say that it should've taken such steps.

As I mentioned above Miss L's arrangement with HL was on an execution-only basis, and because of that HL can't take the steps Miss L wanted them to without her instructing so. In my view it isn't simply the case HL could just have sold the shares where if it did so it would be acting under its own discretion, which it isn't permitted to do here. I also note the corporate action required some level of instruction where it allowed any amount to be sold, but only the percentage limit of each tender being eligible for the declared price.

I understand Miss L has now lost those sale opportunities and her shares have since been delisted. That of course has had a profound impact on her given she was looking to save for her future. But for the reasons I've given above, I'm not persuaded I can hold HL responsible for Miss L not taking advantage of the tenders, or otherwise selling her shares before B was delisted.

B appears to currently be going through voluntary liquidation and Miss L may be able to contact its liquidators, whose contact details are on its website, to see if there's any help they could provide.

HL did in considering the complaint offer Miss L £50 for delays in sending the 22 April 2025 tender. HL hasn't provided further information about what caused the delay or how long it expects to pass on corporate actions that meant it took longer than it says it should've. But I don't think it would've likely made a difference to what happened here. I say this because Miss L didn't see the first tender sent earlier or the delisting notice sent after the second tender. I can't fairly say then she would've likely acted any differently had HL sent the notice of the second tender when it says it ought to have. I've also not seen the impact caused by the second tender being delayed goes beyond the £50 HL has already offered.

I'm satisfied then given HL has said the tender was sent late but had no material impact that the offer it has already made for the service it provided is fair.

My final decision

My final decision is that I direct Hargreaves Lansdown Asset Management Limited pay Miss L the £50 it already offered, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 8 May 2026.

Ken Roberts

Ombudsman