

complaint

Mr R complains about the fees charged by Hargreaves Lansdown Asset Management Limited. He says Hargreaves Lansdown should not sell shares to meet its fees, that it sold too many, and that he was not given enough notice to arrange to pay the fees by another method.

background

Hargreaves Lansdown charges an annual fee of 0.45% payable monthly in arrears. If there is not enough cash available in the consumer's cash account, it will sell shares to meet the fee.

The adjudicator didn't think that the complaint should be upheld. He concluded that the fees were charged in accordance with the account terms and conditions. He thought there was enough information available to Mr R for him to make arrangements to pay the fee if he did not want to fund it through the sale of shares.

Mr R did not agree. He said the terms weren't brought to his attention; that Hargreaves Lansdown should replace the shares it sold when it didn't give him enough notice of the fee; and that the business should adopt a different method to ensure consumers have enough time to transfer cash to meet the fees.

my findings

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, I have come to the same conclusion as the adjudicator, for much the same reasons.

When Mr R signed Hargreaves Lansdown's application form, he also confirmed he had read and understood its terms and conditions. These, along with its tariff of charges, are also clearly displayed on its website. I am satisfied that Hargreaves Lansdown acted in line with the agreed terms and conditions when it sold shares to meet the fees due.

Each month, Hargreaves Lansdown attempts to collect its fee from the cash balance held in the account. There is a suggested minimum cash balance of £60 on Mr R's account, which would make sure there was enough money to meet the fees. The terms and conditions allow the business to sell enough shares to cover the outstanding fees and to provide the suggested minimum balance. It does not need to give notice of a sale, although it did write to Mr R before it sold the shares which gave him the opportunity to pay the fee by an alternative method.

I understand Mr R's strength of feeling on this but I'm satisfied that Hargreaves Lansdown has acted fairly and there is no obligation on it to replace the shares it has sold.

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 R to accept or reject my decision before 25 January 2016.

Elizabeth Dawes
ombudsman