

The complaint

Mr G's complaint is about his Self-Invested Personal Pension ('SIPP'), managed by Hargreaves Lansdown Asset Management Limited ('HL'). He says HL prevented him, without a logical reason, from making a lump sum contribution from his company into the SIPP before the end of his company's financial year on 30 June 2019. He also says HL offered an alternative – to invest the lump sum in a new and self-managed SIPP – but did not respond further on this or respond to explain why he could not contribute to the managed SIPP, as it promised to.

What happened

The managed SIPP was reviewed by HL earlier in 2019 and Mr G was advised to make the lump sum contribution in order to use allowances carried forward. He called HL around the middle of June 2019 and said he had delayed in doing this and wished to do so at the time – and before the financial year end deadline (on 30 June).

He was told that the contribution could not be made due to the problems with the Woodford Equity Income Fund ('WEIF') – its suspension – but he questioned why this was the case given that monthly contributions into the same SIPP continued to be accepted. HL told him the monthly contributions were being invested in a portfolio that did not include WEIF. Mr G repeated a similar question in this respect – that is, his lump sum could be accepted and invested in the same way, so why was it being declined?

HL suggested to Mr G the alternative of using a new, self-managed SIPP. Mr G queried this with another HL department (its Helpdesk), where his questioning of the decision to decline the lump sum contribution to the managed SIPP was shared. This department suggested the contribution (into the managed SIPP) should be possible, promised to look further into this (and, it appears, into the alternative) and to return to him with a response within 48 hours. HL did not return to him, the financial year end deadline passed and he complained to HL on 5 July.

HL's position, in the main, is as follows:

- It has apologised to Mr G for the conflicting information he received with regards to contributing the lump sum into the managed SIPP and it explained that the Helpdesk should have known (and explained to Mr G) about the suspension of contributions into the managed SIPP. To compensate for the lack of clarity in its engagement with him at the time, HL has offered £250. It has also apologised for not returning to him as promised.
- Despite its apologies, it remains the case that Mr G had the time and opportunity to chase for a response, to contact HL and to achieve the lump sum contribution he sought to make (into an alternative SIPP) before 30 June. As such, HL cannot fairly be held responsible for him missing this deadline.
- Following the suspension of WEIF its Investment Director took the decision to continue taking monthly contributions into the managed SIPP but not to do the same

with lump sum contributions as they were viewed differently. The former had already been assessed and recommended as suitable, whereas the latter – being the proposal of a fresh lump sum contribution – had not been reviewed/assessed as suitable. In this context, the decision was well reasoned, even if Mr G disagrees with it.

One of our investigators looked into the complaint, agreed with HL's position and concluded that it should not be upheld. Mr G disagreed with this outcome and the matter was referred to an ombudsman.

What I've decided – and why

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

HL concedes that Mr G was given conflicting information when he called in June 2019. In this respect and, it appears, in relation to its failure to respond further to him after the call it has offered £250. I agree that the conflicting information he was given and the failure to respond further to him amounted to a level of service that was less than he was entitled to. In this respect, I also agree that £250 is a fair amount to compensate for the trouble and upset this caused him.

However, the two matters of HL's rationale for rejecting the lump sum contribution into the managed SIPP and liability for Mr G missing the 30 June deadline should be considered on their own merit. HL's concession of a service deficiency does not automatically establish these two matters in Mr G's favour.

Mr G's arguments, questioning HL's rationale for rejecting the lump sum contribution into the managed SIPP, are sensible and I can understand the strength of feeling with which he has pursued them. In his specific case, it is indeed inadequate to say lump sum contributions were differentiated from regular monthly contributions because the latter had been assessed as suitable. As he has pointed out, his pursuit to make the lump sum contribution arose directly from a review recommendation by HL to do so. This is not disputed, so the lump sum contribution had also been assessed as suitable for the managed SIPP.

However, the investigator put this point to HL and I am satisfied with its response. It explained that the recommendation to make the lump sum contribution was given to Mr G around March 2019. Circumstances were different then, and in particular the WEIF suspension did not happen until early June 2019. HL says that by the time Mr G sought to implement the recommendation in the middle of June, and with the impact of the WEIF being relevant at the time, he was trying to do so in circumstances different to those in which the recommendation was made.

I find logic in the above explanation. It is arguable that HL was duty bound not to facilitate implementation of an outdated recommendation in the knowledge that an important change in circumstances had occurred. I do not suggest that this was HL's precise rationale and it will be understandable if Mr G were to argue that HL was not sure of its rationale at the time he called – given the conflicting messages he received. However, on balance and at policy level, I am persuaded that this was broadly HL's line of thinking in diverting the ongoing monthly contributions away from WEIF related portfolios and suspending any new lump sum contributions into the managed SIPP. Mr G could also argue that the same diversion could have been applied to his lump sum, but I am not satisfied that this could have suitably been done in the context of an outdated recommendation.

Mr G is entitled to disagree with the above rationale but I do not consider it to be unreasonable.

HL's concession of the flaw in its service to Mr G does not automatically mean it was/is responsible for the deadline of 30 June being missed. Mr G was informed about the alternative option of contributing into a new SIPP. HL should have returned to him within 48 hours as promised. It failed to do so, but that did not prevent him from proactively pursuing the matter during and/or after those 48 hours – given the importance, to him, of making the contribution before the deadline.

I do not suggest that it was for him to monitor HL to do what it was supposed to do – in terms of responding to him – but I do consider that it was for him to retain primary responsibility to achieve the contribution he sought to make. In terms of him not hearing from HL during and after the 48 hours it was arguably also for him to mitigate the matter by chasing for a response. He was aware that there was an alternative way to make the contribution and he could have pursued that separately (and distinct from his challenge against HL's decision on the managed SIPP). Overall and on balance, it cannot fairly be concluded that HL is to blame for the deadline being missed. Mr G does not appear to have proactively pursued this alternative or mitigated the matter.

Overall, on balance and for the above reasons I am not persuaded to uphold Mr G's complaint.

My final decision

For the reasons given above, I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 July 2020.

Roy Kuku
Ombudsman