

The complaint

Mr T complains about delays Hargreaves Lansdown Advisory Services Limited caused while dealing with his stocks and shares ISA transfer resulting in a financial loss.

What happened

Mr T says he submitted an ISA transfer form to Hargreaves in January 2020. He specifically stated that £25,000 should be transferred in cash. He says this would mean that only part of the investment would need to be sold to transfer this amount.

He says, Hargreaves treated his request as a stocks and shares ISA instead of a cash transfer. He says this came to light around four weeks after the initial request when he called for an update. This resulted in delays in his request being actioned and wasn't transferred until March 2020. In the time it took to arrange the transfer, the share price had changed, and so additional shares had to be sold to achieve the £25,000 cash that was required. Had the instruction to do a cash transfer been carried out when requested, fewer investments would have been sold to obtain the same cash value.

Hargreaves recognised the delays they'd caused and offered Mr T £237 in compensation. He felt this didn't adequately resolve his complaint, so he asked us to consider this.

An investigator at this service considered the complaint and in the process of their investigations Hargreaves highlighted that Mr T hadn't actually suffered a loss as a result of the delays. They say if the transfer was completed when it was supposed to do, he would in fact have lost money. Mr T did proceed to re-invest his money and made a profit from this. So, whilst they accept the delays were their fault and agree to compensate him for these delays, they don't believe he suffered a financial loss from the transfer itself and don't agree to compensate him any further.

The investigator agreed with Hargreaves that Mr T should be compensated for the delays, but as no financial loss has been incurred, this part shouldn't be upheld.

Mr T didn't agree with the investigators findings and so this has come to me for a final decision.

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.

Although I haven't commented on every single point, I'd like to assure Mr T that I have considered everything including the correspondence he's sent after the investigator's view. Having done so, I will be upholding this complaint in part. I'll explain further.

I understand Mr T was concerned that he's lost funds for the period between January 2020 when the request to transfer funds was made and March 2020 when the funds were received. Both Hargreaves and Mr T agree that delays in processing the request were

caused by Hargreaves, and this is not in dispute. What hasn't been agreed is whether he was at a financial loss as a result of these delays, so here I have focused on the calculation of his losses.

Mr T says that the delay in processing meant a larger number of shares had to be sold to achieve £25,000 and as such Hargreaves should pay him the difference in funds. When a business makes a mistake, our aim is to put the consumer back in the position they would have been in had it not been for the mistake. Hargreaves looked to put things right by calculating the difference in the number of units sold to those which would have been sold if the transfer had been processed on the expected date. So, they calculated a sum of £137 for loss of interest. They also offered an additional £100 as an apology for delays incurred. I understand the total amount of £237 has already been paid. They later confirmed that there wasn't a one month delay in the executing the transfer, it was corrected in February 2020 but have honoured the offer they made.

In order to ensure his losses have been recovered adequately, I would normally consider what Mr T would have done with the funds from the transfer. Here we can see that he went on to re-invest the funds at a later date, so, I've looked at the impact the delay has had on the re-investment. I've used the same method as Hargreaves to understand if there has been any financial loss, and if so, how much. Re-investing the funds later meant he was able to make a profit from a better market position. Mr T chose to re-invest at a later date and so has in fact benefitted from any delays.

Hargreaves don't believe they should have to make additional compensation to Mr T when he hasn't suffered a loss. I agree with Hargreaves, that they shouldn't have to pay further compensation to him in this situation. Our role at this service is to put things right when a business has done something wrong not to punish them for a mistake or allow a consumer to benefit from an error that's been made.

Hargreaves already paid Mr T a total of £237 in compensation. I think this amount is in line with the kind of compensation we would expect a business to pay for the delays that have been caused here. I know he will be disappointed with my decision, but I can't fairly say that they should pay more as Mr T hasn't actually suffered any financial loss as a result of their actions.

My final decision

For the reasons given above, I uphold this complaint against Hargreaves Lansdown Advisory Services Limited. They have already paid Mr T £237.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 19 October 2021.

Naima Abdul-Rasool
Ombudsman