

The complaint

Mr A complains about the service he received from Hargreaves Lansdown Asset Management Limited (HLAM).

What happened

In 2018, Mr A transferred his investment holdings to HLAM from another provider. There was initially a problem with HLAM getting the original cost prices but it received this information in April 2019. Mr A's complaint relates specifically to issues he encountered with his holdings in the Woodford Equity Income Fund (WEIF) which was suspended in June 2019.

Mr A's complaint points can be summarised as follows:

- There was an intermittent reporting issue which led to Mr A's holdings in the WEIF being rounded down when he viewed them on HLAM's platform
- HLAM wasn't helpful when Mr A was trying to work out the impact of the WEIF winding up payments on his Capital Gains Tax (CGT) liability
- HLAM's correspondence about the issues wasn't reasonable. Mr A said it was slow to respond, showed a lack of empathy and skill and it gave poor customer service

Our investigator considered this complaint but didn't think it should be upheld. He went into detail about the correspondence dates between Mr A and HLAM which I won't repeat here. The Investigator concluded that Mr A had accepted compensation of £100 in full and final settlement of the reporting issue so didn't think it was appropriate for this service to consider that aspect of the complaint. He felt it should be dismissed under DISP. The Investigator felt HLAM had given sufficient information to Mr A to be able to get help from a tax professional in relation to his CGT liability. And he felt HLAM had given a reasonable level of customer service.

Mr A disagreed with our Investigator's view. He said the following:

- There shouldn't be any discrepancies with his unit holdings and any errors should be resolved quickly but this wasn't the case with his unit holdings in the WEIF being rounded down.
- HLAM ought to know how CGT works and should be able to explain it to clients when they ask for help. In this case, Mr A said it should've provided the information he required to work out his losses. Mr A says it has now given him a worked example and it should've done this sooner.
- HLAM didn't commit to a resolution for the rounding down issue and only reached one after a lot of communication from Mr A. He felt this was because it didn't care as Mr A had moved his other holdings away.

I sent out my provisional decision on this complaint on 7 February 2022. In this decision I explained why I didn't intend to uphold the complaint. Both parties received the decision. Mr A disagreed but didn't add any additional comments or evidence. HLAM said it had nothing further to add.

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, I'm not upholding this complaint for the reasons below, which are the same as set out in my provisional decision.

Mr A's holdings in the WEIF

I can imagine that it was frustrating for Mr A to log into his account and see that his unit holdings were different to what they should've been. But I think HLAM acted reasonably in trying to resolve this issue. I can see that when Mr A first reported the issue, his holdings had gone back to where they should've been – so it was difficult for HLAM to see what had happened. And HLAM asked its IT department to look at the issue. It was clear that the issue was intermittent and difficult to replicate, so I don't think it was unreasonable that it took some time to work out what had happened. I also think all parties understood it was an error, and that Mr A's actual holdings in the WEIF hadn't changed.

I can see that before HLAM had concluded what the issue was it offered Mr A £50 compensation. It was Mr A who asked for £100 and this was accepted by HLAM. I don't think it was clear that this would be in full and final settlement to the exclusion of being able to complain to this service about it. And I can see the issue happened again and wasn't resolved until some time later, so I've considered whether the compensation that Mr A has been paid is fair. I think that it is.

It's unfortunate that the issue happened on a few occasions, but as it was difficult to replicate it isn't surprising that it took some time to work out why it was happening. HLAM has now explained that it only happens when it does a manual process to ensure Mr A isn't charged for holding his WEIF units through its platform. I'm pleased to see that Mr A now knows the reason for the issue. I'm mindful that Mr A knew it was an error, and so did HLAM. So, his holdings never actually decreased and HLAM reassured Mr A of this. The WEIF was suspended so Mr A wasn't missing out due to this error as he wasn't able to do anything with his holdings in it. So, I think the actual impact was minimal and I think £100 is fair compensation for this issue overall.

It appears that Mr A, throughout this complaint, believes he should be paid higher compensation, and has told both this service and HLAM that higher compensation would make him "go away". But I think the compensation he's been paid is fair and reasonable for the trouble and upset he experienced due to this intermittent error.

Information about Mr A's CGT liability

I can see that Mr A was keen to work out what his losses would be from a CGT perspective. And he asked HLAM for calculations or a ready reckoner to enable him to do this. HLAM explained that it couldn't give tax advice as it could lead to misinformation. It gave Mr A the information on what his units had sold for as part of the winding up process, and I can see it did this in good time.

Mr A continued to ask for more information, and even gave HLAM a method to work out his CGT losses. HLAM continued to suggest that Mr A speak to an accountant or tax advisor. I think this was reasonable to do. I wouldn't expect HLAM to give Mr A any advice it wasn't qualified to give. And I think Mr A understood this.

I do appreciate that it would've been easier for Mr A to have the information he wanted from HLAM, but I think HLAM was consistent in explaining why it couldn't do this. This included it not having the specific information available, as well as not being qualified to go beyond the information and provide calculations. I can see that HLAM sent Mr A the notifications of the units sold in January, March and August 2020. These notifications included how many units were sold and the price achieved. I understand the cost prices had already been obtained the previous year so Mr A had the information he needed to pass to a tax advisor.

I note that Mr A continued to communicate with HLAM about his CGT calculations, and in April 2021 it gave him an example calculation. But I don't think it needed to do this, and I'm pleased to see that it tried to help Mr A where it could. Mr A feels this could've been done a lot sooner, but I don't think HLAM had to provide him with a worked example so I don't think it's done anything wrong here.

Customer service

Mr A has had a lot of communication with HLAM since he noticed the issues with the rounding down of his holdings in the WEIF. Mr A complains that HLAM was slow to respond and its responses lacked empathy and skill. I've carefully looked at all the correspondence that both Mr A and HLAM have provided. I can see that Mr A wanted and expected very quick responses to all of his messages to HLAM. But I've considered whether there were any delays and I don't think there were.

I understand Mr A wanted immediate responses to his queries, and there were times when he had to wait ten days for a response. But I don't think that was an unreasonable time for HLAM to respond. I can see that there were many times where HLAM responded within two days to Mr A. HLAM explained to Mr A that it responded to messages in chronological order but Mr A felt his issue should be prioritised. I've not seen anything to suggest that HLAM should've responded to Mr A's queries over and above any of its other customers.

Looking at all the correspondence from HLAM I don't agree that there was a lack of empathy or skill. I think it answered Mr A's queries as best it could. It investigated the IT issue and provided information when it could. It also explained why it wouldn't be able to provide specific advice relating to Mr A's CGT liability. I can see there was an error in one of HLAM's letters to Mr A about the cost price of his units. But, as the cost price issue had been resolved in 2019, I think Mr A was aware this was a mistake. So I don't think it caused a level of distress that warrants compensation. I have noted that Mr A's messages showed his frustrations, and at times he used expletives. Regardless of this HLAM continued to correspond with Mr A and I don't think its level of customer service was unreasonable.

In summary, I think that compensation HLAM paid Mr A for the technical issues with the display of his units in the WEIF was fair and reasonable. I don't think HLAM has acted unreasonably when corresponding with Mr A about his CGT liability or his complaint in general.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 March 2022.

Charlotte Wilson
Ombudsman

