

The complaint

Mr F says Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown (HL) should've taken steps to check his contact details. It didn't do this, and as a result he wasn't informed of issues surrounding his investment in the Woodford Equity Income Fund (WEIF). Mr F says that if he had been informed of the issues he wouldn't have made a loss.

What happened

Mr F complained to HL in 2019. He said that he had invested just over £11,700 in the WEIF, but HL had never written to him or explained to him the issues the WEIF was experiencing, including its underperformance or the suspension. He said he was reliant on these communications as this investment had been made through his SIPP and wasn't something he was checking daily as he was intending to hold it long term. Mr F said he discovered the extent of the difficulties the WEIF was experiencing in October 2019 and felt that he had been let down by HL never having written to him. By then he was facing a loss of around a third of his investment, and as the fund was suspended, he couldn't do anything to mitigate his loss. He said it was also unacceptable that HL kept on promoting the fund right up until suspension.

HL looked into Mr F's complaint, but didn't think it had done anything wrong. In summary it explained that Mr F had an execution only account, which meant that he wasn't given advice and HL did not manage his investments. It explained the performance of the WEIF and its commentary about it. And it said that while it acknowledged Mr F's dissatisfaction at not receiving any emails, it was his responsibility to ensure his contact details were up to date. It didn't agree it ought to have sent him updates or marketing information about the WEIF via post, because that was not what he had stated was his preference for marketing communications. It emphasised that any commentary that would've been emailed to him was available on its website.

Mr F didn't agree and referred his complaint to this service. One of our investigators looked into Mr F's complaint, but didn't agree it should be upheld. She said that it was fair and reasonable for HL to have expected Mr F to have kept his contact details up to date, and she didn't think it would be fair to blame HL for the email address being incorrect. Furthermore, Mr F had set email as his preferred contact method, so it was fair and reasonable for HL to have used those details when communicating with him. She didn't think HL needed to try a different way of contacting him given that the communications it was intending on sending were marketing materials.

Mr F didn't agree. He said HL had an obligation to check his emails were being received.

It therefore should've done more when his emails were being returned.

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've reached the same conclusions as the investigator and for broadly the same reasons. I'm sorry I don't have much to add to what the investigator has already said.

As Mr F knows, the investments he had on HL's platform were his responsibility – HL wasn't managing them for him, nor was it giving him advice about what to do with those investments. So he needed to ensure that he was aware of how investments were performing and, if he needed more information in order to decide whether to retain an investment or sell it, it was his responsibility to carry out that further research or seek the advice of a professional. This means that in my view, it wouldn't be fair to ask HL to compensate the loss Mr F has suffered as a result of investing in the WEIF because I'm satisfied it was ultimately Mr F's responsibility to decide, at the time, whether he wanted to remain invested and what information he needed to make that decision.

Mr F believes that HL ought to compensate him because he would've been in a position to make better and more informed decisions about his holding in the WEIF had he received HL's commentary. But the commentary HL was sending out via email was marketing in nature. In other words, these were generic emails sent from HL about a range of investments, including the WEIF. These weren't important emails specific to Mr F – for example about changes to the terms of his account or the level of fees that were payable.

This means that it was entirely acceptable for HL to simply send out such commentary in line with the preferences of individual customers – in Mr F's case, he had specified email as his preference. And it's important to be clear that, generally speaking, these email communications were being sent from bulk mailboxes – it may not have been visible to HL that his emails weren't being received or were bouncing back. In the absence of any email communication from HL, only Mr F would've been in a position to identify the issue.

Ultimately I agree with the investigator that it was Mr F's responsibility to ensure that his contact details were up to date and accurate – and so even if I thought HL's commentary may have been helpful information for Mr F to have received at the time, I'm not persuaded it would be fair and reasonable to blame HL for his non-receipt of these emails.

My final decision

My final decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 August 2023.

Alessandro Pulzone
Ombudsman