

## The complaint

The estate of Mrs J, represented by her husband Mr G, complains about the level of service provided by Hargreaves Lansdown Asset Management Limited (HL) after Mrs J's passing.

## What happened

Mrs J held investments with HL. She sadly passed away in May 2021 and Mr G notified HL in August 2021. HL advised him of the process that needed to be followed to release her holdings with them. In summary, her account was frozen, and he needed to provide them with a UK Grant of Probate (GOP) and a death certificate in order for the holdings to be released.

Mr G then explained to HL that he and Mrs J were living overseas when she passed away and as such, there was no UK GOP, but he had the equivalent document from the country where she passed away. HL wouldn't accept the overseas document and Mr G continued to correspond with them in attempt to resolve the issue over the next few months.

In February 2022 Mr G complained directly to the CEO of HL about the service he'd received. He was offered £100 in compensation for poor service, but the majority of his complaint wasn't upheld. Mr G then got in touch with his MP and a consumer advocate who contacted HL on his behalf. Following their intervention HL wrote to Mr G in April 2022 and said, in summary:

- They apologised for the lack of flexibility and support they'd shown him.
- They confirmed that they would waive their usual requirements and accept the overseas GOP if he provided a certified copy of Mrs J's will.
- They appreciated Mr G's concerns about the fall in value of Mrs J's ISA. However, they noted that he had made changes to underlying investments after her passing and before he'd notified them of her death. Because of this, they were of the opinion that the loss was due to market movement and not their error. However, given the poor service they'd provided, they were willing to return him to the position he would have been in had not had to sell down Mrs J's holdings in order to complete the Additional Permitted Subscription (APS) transfer to his ISA by allowing him to repurchase the holdings at no charge.
- They also offered to waive any management charges Mrs J's account had accrued since they'd been notified of her passing and offered compensation of £2,500 in recognition of the poor service they'd provided.

Mr G didn't accept their findings and referred his complaint to this service. I've summarised his key points below:

- HL did not appear to understand or acknowledge that his wife died overseas, not in the UK, therefore he couldn't provide UK documentation. He only had the overseas documentation which he'd provided with a certified translation.

- They showed the same attitude when they set out the documents required for verifying his address. They knew he'd been living overseas but requested documentation which was only relevant for a UK resident. This had resulted in his account being frozen until April 2022.
- After he'd finished finalising all his affairs overseas, he'd returned to the UK in October 2021, and then recommenced trying to access Mrs J's HL holdings. He'd initially stayed with friends but then had to move to a hotel and then Airbnb accommodation. He had to spend longer than necessary there due to HL's delays in releasing the funds which he needed for a house purchase. As such they should reimburse him for some of these costs and the costs of storing his possessions which he estimated to be around £4,500.
- He noted that they'd said he had funds in his own ISA and SIPP which he could have used but this wasn't reasonable as he needed to be sure that the funds would have been released before embarking upon a property purchase. Also, he would have incurred a large tax bill if he'd done this and wouldn't have been able to replace any funds taken from his pension.
- Mrs J's holdings had lost value because he'd been unable to monitor the account and make changes as necessary. Had HL accepted the overseas GOP then the account would have been around £16,000 better off.

The complaint was considered by one of investigators who didn't think it should be upheld. In her opinion the fact that Mrs J was born overseas and was an overseas resident, didn't prevent Mr G from obtaining a UK GOP in order to deal with her UK assets. Therefore, she didn't think HL had acted unfairly in asking Mr G to obtain a UK GOP. However, she noted that HL had accepted they could have better dealt with the matter but thought their offer of compensation was fair.

Mr G didn't accept the investigator's findings. He reiterated that the delays had been caused by HL's delays in providing him with details of the required documentation and the subsequent refusal to accept the overseas documents, which they'd later admitted was a mistake. He thought the investigator was falling into the same mindset as HL that everything had to be in accordance with UK law, this had been proven to be unnecessary as he'd provided overseas documentation to the same effect which HL had ultimately accepted.

The investigator wasn't persuaded to change her opinion so the complaint has been passed to me to make a 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.

I'd firstly like to pass my condolences to Mr G. It is clear that he has been through a very difficult time since his wife's passing and has faced many challenges in trying to fulfil his role as executor of her estate. I'd like to assure him that I've fully considered all of his comments and submissions when making my decision. I would also add this complaint only relates to HL's dealings with the estate of the late Mrs J and not the issues Mr G faced with his personal account.

This service is bound by certain rules, one of which is that we are only able to make an award to an eligible complainant. The late Mrs J would have been the eligible complainant here, and her estate – represented by Mr G – is bringing the complaint on her behalf. With

this in mind, I am unable to make an award to Mr G for any impact he has suffered personally when representing the estate. What I can do, is look at whether or not the estate has suffered a loss because of the actions of HL.

Therefore, my role here is to determine if HL have acted unfairly or unreasonably in their dealings with the estate of Mrs J. From what I've seen, the only complaint point that relates to actual losses the estate suffered is the loss in value of ISA. And if this is because of negligence on HL's part, then I need to determine what needs to be done to put things right.

At the heart of this complaint is the issue of HL's requirement for a UK GOP. Broadly speaking, the assets of an estate are governed by the law of their location. In the circumstances of this complaint, the late Mrs J's HL ISA was a UK asset held by a UK firm. It is common practice for firms to require a UK GOP to ensure that an executor of an estate has the legal right to an estate's UK assets. In my opinion, this is reasonable step, in the process of verifying that they are passing on the estate's assets to the right person.

In this instance, Mr G, held the overseas equivalent of a GOP. This isn't usually an acceptable document to show that an executor has authority to administer an estate. Depending on where the overseas grant was issued, it may be resealed in the UK and used in the same way as a UK GOP, but if this isn't possible then a UK GOP is required. Taking everything into account, I don't think HL acted unfairly by asking for a UK GOP.

But I can see Mr G tried hard to resolve the issue. He first got in touch with HL to notify them of Mrs J's passing on 2 August 2021 at which point her account was frozen and all access blocked. He also updated his address from his old UK address to his overseas address and asked HL to give him details of the process for closing Mrs J's account and transferring her holdings.

HL responded on the same day and asked him to provide the original death certificate or a certified copy. They explained that they would then issue a probate valuation and associated documents including their Estates Pack which contained the forms needed for the transfer of funds. Mr G responded and said he'd send them a certified copy of the death certificate and a translation.

He got back in touch on 19 August and explained that processes differed in the country he was living in from the UK. He had an official document confirming Mrs J's passing and asked HL if that would suffice. He also explained that there was no inheritance tax where he was living so any aspects relating to this i.e., probate and valuations were not necessary.

There was further contact between 24 to 27 September as Mr G wanted to top up his own account but was unable to do so as HL needed to verify his updated overseas address with postal copies of documents. HL tried to call him on 27 September to explain what was required and eventually sent him a letter on 6 October asking again for a death certificate.

Mr G replied by secure message on 20 October explaining that it had taken longer than anticipated to get the equivalent of a death certificate. He also explained he was returning to the UK in the following week and no longer had access to HL's previous communication setting out what was required. He also called them on 27 October and said he was sending in a certified copy of the death certificate. He called again on 4 November to confirm if HL only required a certified copy of the death certificate and on 8 November HL received a letter from Mr G containing several documents including the overseas GOP.

He chased HL on 22 November and 22 December as he was yet to receive the Estates Pack. HL told him on 22 December that they would escalate his query as a priority, and he would receive the pack once someone picked it up. On 13 January 2022 they returned all

the documents he'd sent them to his overseas address and said that they were unable to accept a photocopy of death certificate and asked for a GOP or equivalent overseas document which would need to be resealed in the UK.

Mr G then sent a letter of complaint to the CEO of HL on 7 February. HL apologised for the difficulties he'd faced in trying to resolve the matter and offered him £100 in compensation. Mr G then replied to HL but received no response, he subsequently asked his local MP and a consumer advocate to help him. It was only after their intervention that HL agreed to accept the documents he had, refund any management charges the ISA accrued, offered compensation of £2,500 and the APS transfer completed on 21 April.

From what I've seen the value of the ISA fell by around £16,000 between August 2021 and April 2022. I've considered if HL were responsible for the fall in value, given what Mr G has said about not being able to monitor the account or make any changes to it.

I think it's important to note that Mr G made changes to the underlying holdings within the ISA after Mrs J unfortunately passed away, so I don't think it's unreasonable to suggest he was fully aware of what investments were held and could have monitored their performance. HL's email of 2 August 2021 also made him aware that he could have sold the underlying assets and held the proceeds in cash pending distribution in order to protect against any falls in value, but he chose not to take any action.

I also haven't seen any instance where Mr G told HL that he wanted to sell the underlying investments and was prevented from doing so. Taking everything into account, I don't think the available evidence shows that the estate wanted to cash in the ISA, so I don't think I can fairly say that HL are responsible for any loss in value.

I think a key point is that it was Mr G's intention to process the APS transfer as in-specie but was unable to, which meant the investments had to be sold down and the loss in value crystallised before the APS transfer. HL offered to repurchase the investments that were held in the ISA before they were sold down and transferred, with no share dealing costs to Mr G, which would have given the same result as the in-specie transfer that Mr G initially requested. I think this is fair and reasonable and while I appreciate this will come as a disappointment to Mr G after the challenges he faced in his role as executor of the estate, I won't be asking HL to take any further action.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs J to accept or reject my decision before 23 October 2024.

Marc Purnell  
**Ombudsman**