

## The complaint

Ms H complains about the length of time it took Hargreaves Lansdown Asset Management Limited to transfer her stocks and shares ISA to a different firm.

## What happened

Ms H requested a transfer of her stocks and shares ISA in December 2022 from HL to a different firm which I'll refer to as B. In order to expedite the transfer, but to minimise time out of the market, Ms H agreed with her adviser at HL that the transfer would take place in two tranches.

The first tranche followed this timeline:

- Ms H sent her request on 13 December 2022.
- On 14 December 2022 HL submitted the request to B with a note asking for it to be processed quickly.
- On 19 December 2022 HL provided a transfer value for the ISA to B following a request by B on the same day.
- On 3 January 2023 HL received B's formal transfer instruction and HL confirmed that it would proceed with a manual transfer on 4 January 2023.
- On 11 and 12 January 2023 HL processed the sale of 50% of all holdings in the ISA and transfer of the available cash – this settled in B's account on 18 January 2023.

Following this, Ms H proceeded to sell the remaining assets in her account between 27 and 30 January 2023. A request was sent by B to HL for this cash to be transferred on 2 February 2023. The payment was credited on 7 February 2023. A final payment of just over £700 was then transferred on 1 March 2023.

Ms H complained about delays – she complained that she'd been led to understand by her adviser that the transfer would only take a matter of weeks and would be done around Christmas, instead it took far too long. She also said she wasn't told she could simply sell her investments herself, which is what she did for the second tranche. She considered she'd been caused a financial loss by the delays and asked for compensation.

HL looked into the matter and agreed there had been some delays – so it offered £300 in compensation. But it said that if the sale of her holdings had taken place as early as it should have done, on 4 or 5 January 2023, she would've received almost £3,000 less, so it was satisfied it did not cause any financial loss.

Ms H remained unhappy and referred her complaint to this service. One of our investigators looked into the matter. He issued two assessments which broadly set out the same outcome

– he thought that the transfer had been completed within fair and reasonable timescales, and that although HL had missed some opportunities to act as promptly as possible, its award of £300 for this was fair and reasonable. He considered that the earliest Ms H's investments could be sold was around 4 January 2023, and that she would've received less for her investments on that date than she eventually did – therefore he concluded there was no financial loss.

Ms H didn't agree with the investigator and asked for an ombudsman to decide the matter. She said that her claim for financial loss was about what B would've done with the money had it received it, as she was told it would, over the Christmas and New Year period. She said that money would've been invested in a standard portfolio for the particular criteria she had selected. She said she was repeatedly told by B and HL that the transfer would take one to two weeks and this is what she believed.

### **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 like to take this opportunity to extend my sympathy to Ms H for the challenging circumstances she found herself in at the time of this transfer and since. I can see that she was clearly distressed and inconvenienced by the matter and this was, in part, due to her understanding of how quickly the transfer would take. However, for the reasons I give below, I agree with the investigator's conclusions and for broadly the same reasons.

In terms of transfers of this type, HMRC says that transfers should take no longer than 15 working days between cash ISAs, and 30 calendar days for other types of transfer. As Ms H was transferring between stocks and shares ISAs, it's the second timeframe that's relevant.

Further guidance is set out in the Transfers and Re-registration Industry Group (TRIG) framework. This isn't a standard that HL was required or obliged to follow, but it gives an example of what the industry consider to be good practice and sets out a framework that complies with, and takes account of, other obligations firms have to act promptly and efficiently. It says that:

- Consumers have a legitimate right to expect the industry to execute their instructions in a timely and efficient manner.
- Broadly speaking, firms ought to complete their own steps in the transfer process within 2 working days.

So it's with the above guidance in mind that I've considered what HL did and whether its offer of compensation was enough.

Ms H is of the belief that her transfer could've been carried out around Christmas – but it's clear that this was never going to be possible. Ms H's initial request was acted on promptly and within the 2 business day guidance. I've also seen evidence of a separate note asking for it to be "processed quickly" as Ms H was keen to get it all sorted as soon as possible.

On 19 December 2022, B sent an info request via Altus, an electronic system. This request was essentially for the value of Ms H's portfolio and this was provided on the same day by HL, via this same system. So here too, I can see there were no delays by HL in terms of what it needed to do.

However, HL could not proceed with selling any of Ms H's assets until such time as it

received a formal transfer request from B – and this only happened on 3 January 2023. At this point B sent a request to transfer the ISA from HL to B. On the same day, HL wrote back to B to confirm that the request had been submitted via Altus, and HL was waiting for “electronic acceptance” – it asked B to confirm whether it now wanted HL to proceed manually. But B responded saying that as HL had not responded in Altus, that request had now been cancelled and B wanted to “proceed manually”.

Pausing here, I think it’s important that I explain to Ms H that B’s understanding here was not correct – HL had replied promptly to B’s information request and the information had been released. So the delay between 19 December 2022 and 3 January 2023 is not something HL was responsible for.

Nevertheless, once B confirmed that it wished to proceed manually, HL should’ve started its next step – which included selling down half of Ms H’s assets and transferring that balance. Unfortunately, this is the delay that HL itself has already identified. It asked B on 6 January to confirm that it wished to proceed manually – but B had already done this. This misunderstanding therefore caused an additional delay as 6 January 2023 was a Friday, and therefore the matter wasn’t actioned until the following week.

Between 11 and 12 January 2023 HL proceeded to disinvest the relevant assets, and the cash was received by B on 19 January 2023.

So in terms of when the actual transfer was requested by B, it’s clear to me that HL acted within the relevant timescales – it took 16 calendar days and 12 working days for the transfer to be completed.

HL did identify that there were opportunities where it could’ve acted soon after 3 January 2023 – and I agree that it likely could’ve shortened the overall time taken for the transfer to complete. But given that in almost every other step in this process HL had acted promptly and that the transfer overall occurred within the relevant timescales, I’m satisfied that its award of £300 is fair and reasonable for the trouble and upset the short delay at the beginning of January caused Ms H.

In terms of financial loss, I do need to explain some of the steps here in a bit more detail:

- The cash from the sale of Ms H’s investments could only be transferred once those sales had settled – this typically takes 3 working days. I can see therefore that the last of the sales happened on 12 January, and the transfer carried out the day after settlement on 18 January 2023.
- HL received the formal transfer request on 3 January 2023 – and so HL would’ve had until 5 and 6 January to carry out the sales. This means even if the sales had taken place on 5 January 2023, the earliest that cash would’ve been received is 12 January 2023, possibly even 13 January. I’m not persuaded it’s possible to say, with any degree of likelihood, when exactly B would’ve started investing – bearing in mind that 13 January 2023 was a Friday, and it’s therefore possible that reinvestment would’ve have begun until the following week – in other words, just a few days before the transfer was completed anyway.
- HL has already established that markets moved in Ms H’s favour during that time. Even if a comparison was done, any potentially gain in the investments B may have bought on her behalf would need to be in excess of the gain Ms H made as a result of the investments being sold at a later date.
- It is relevant context that the transfer was in any event carried out within relevant

timescales.

Taking all this into account, I'm therefore satisfied that the small delay at the start of the transfer has not caused Ms H a financial loss which HL ought to be required to compensate. I'm satisfied that while the transfer was broadly carried out with an acceptable timeframe, there were opportunities for it to have acted more promptly – and the award it has made of £300 is fair and reasonable compensation for that.

I understand my decision will come as a disappointment to Ms H, but I hope that she can accept the explanations I've provided and the reasons for me reaching the decision that I have.

### **My final decision**

My final decision that Hargreaves Lansdown Asset Management Limited's award of £300 is fair and reasonable compensation for the impact its delays had on Ms H. If it hasn't already, it should pay this amount to Ms H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 24 December 2024.

Alessandro Pulzone  
**Ombudsman**