

The complaint

Mr A is unhappy with the way Hargreaves Lansdown Asset Management Limited trading as Hargreaves Lansdown ('HL') carried out a withdrawal from his Lifetime ISA ('LISA').

What happened

On 24th March 2024, Mr A called HL to request a withdrawal of £300 from his LISA. During the call, he confirmed that he wished to receive a total £300, net of the LISA withdrawal penalty charge, which is 25% of the amount being withdrawn.

Mr A's request was processed incorrectly and £300 total was withdrawn from his LISA, meaning he only received £225 net of the charge.

When Mr A complained to HL about this, they responded promptly but initially misunderstood his complaint. They replied again, accepting they'd made an error with this, as well as with the initial withdrawal. They then withdrew a further £100 from Mr A's LISA and sent this to him, so that he would receive £300 in total, net of any charges, as he'd originally requested. In addition, they paid him £150 compensation in recognition of the inconvenience they'd caused.

Mr A was unhappy that HL had withdrawn the further £100 from his LISA without clarifying with him first, and he was generally unhappy with how his complaint had been handled, including how long it had taken them to issue a final response letter. So he brought his complaint to our service.

Our investigator looked into the case, but didn't think it should be upheld. Mr A has asked for an ombudsman's decision, so the case has been passed to me.

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 agree that HL made an error when processing Mr A's original withdrawal request and that overall their customer service could have been better following their error. However, I won't be upholding Mr A's complaint.

I say this firstly because I cannot see that Mr A has lost out financially due to HL's errors. If HL had processed Mr A's initial request correctly – a request for a withdrawal of £300 net of charges – then they would have withdrawn a total of £400 from his LISA, and £300 would have been sent to him with the remaining £100 being paid as a penalty charge. Overall, Mr A has still received £300 and still paid only £100 in charges, albeit these amounts occurred over two transactions. So he hasn't lost out compared to what he originally requested.

Secondly, while HL did provide some poor service to Mr A, they have paid him £150 compensation and I think this is a fair and reasonable amount taking into account all the circumstances. I know Mr A is unhappy with the length of time HL took to look at his

complaint, but their initial responses to his concerns in March 2023 were very prompt, and their final response letter was issued within the 8 weeks required by regulations.

Therefore given all of the above, I don't uphold this complaint and I won't be asking HL to do anything further.

My final decision

I do not 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 25 October 2024.

Artemis Pantelides
Ombudsman