

## **complaint**

Mr M complains about delays caused by Hargreaves Lansdown Asset Management Limited's for the transfer of his two ISA accounts.

## **background**

Mr M requested a transfer of his ISA account from Hargreaves Lansdown to another provider. He says he returned the payment options slips for both his ISA and ISA 3 accounts in May 2014. Hargreaves Lansdown confirmed it received the payment option slip for the ISA account, but not the ISA 3 account. As a result, it took no further action and didn't progress the ISA 3 transfer. It also delayed the ISA account transfer as it didn't generate the required stock transfer forms.

Mr M contacted Hargreaves Lansdown in July 2014 and requested an update. He was told his ISA transfer was progressing, but confirmation of the fees on the ISA 3 was pending. Mr M confirmed on the same day that the fees could be deducted from the cash balance on his account.

In September 2014 Hargreaves Lansdown sent Mr M confirmation that his ISA 3 transfer had completed. However, a couple of days later Mr M contacted Hargreaves Lansdown again to complain that he had lost access to his fund holding. The business explained that individual holdings within the ISA and ISA 3 had either not yet been transferred or the new provider hadn't confirmed the re-registration had been completed.

Mr M complained that he was unhappy that the transfer was delayed and that the business didn't seem to have a process for checking if requests to fund managers were actioned. It responded to say that the fund holding was transferred out on 1 August 2014. It also confirmed that it would now arrange for the cash balance on the account to be transferred to Mr M's nominated bank account as no request had been received from the new provider for the cash holding.

Hargreaves Lansdown wrote to Mr M in November to confirm the completion of the all of his account transfers. But Mr M complained in early December that he still didn't have access to the fund holding. The business upheld Mr M's complaint in part and offered a refund of fees applied after its six week service standard had been exceeded and £150 for trouble and upset. It also offered a refund of the exit fee for the ISA 3 account as it acknowledged it should have tried to contact Mr M one month after his transfer request when it had not received a payment option slip for the ISA 3 account. Mr M didn't feel this was sufficient and brought his complaint to this service

Our adjudicator thought it likely that Hargreaves Lansdown had received the ISA 3 payment slip Mr M had sent as it applied a re-registration charge of £23.99 in May 2014 on the ISA 3 account. He concluded that Hargreaves Lansdown should refund similar fees for the ISA 3 account as it had for the ISA account and increase its offer for trouble and upset from £150 to £250. Hargreaves Lansdown did not agree so the complaint has come to me for review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. It's clear that Hargreaves Lansdown did cause unnecessary delays in transferring Mr M's ISA and ISA 3 accounts and it has

accepted this to some degree. The question for me then is whether or not the suggested settlement is a fair and reasonable outcome of the complaint.

Hargreaves Lansdown has offered to refund:

- the transfer fee of £50 for the ISA
- the management fees on the ISA from August 2014 onwards, and
- the transfer fee of £50 for the ISA 3.

In addition, it has offered £150 for the trouble its part in the delays caused him.

In my view, it would be fair for Hargreaves Lansdown to refund their management fees on the ISA 3 from August 2014 onwards as well as I find it is likely that it did receive the payment slip as Mr M says he sent both slips together. Even if it didn't receive the slip, I think it should have followed up sooner. Because Mr M hasn't had use of these funds over the past year, Hargreaves Lansdown should pay interest at 8% simple on the fees. I have considered Lansdown's arguments about applying interest, but the interest reflects the fact that Mr M hasn't had the use of the money he paid in fees over the time and is not applied to penalise the business. I recognise that Lansdown had offered to pay some of the fees earlier. But Mr M had a right to bring his complaint and shouldn't be penalised for using our service. In any event, the interest is likely to be a relatively small amount. Tax may be payable on the interest.

Mr M was clearly very worried about the delays in the transfer and the lack of information, particularly from September 2014 when he couldn't access his funds. I accept that Hargreaves Lansdown wasn't entirely responsible for this problem - as far as it was concerned, the funds had been transferred out in August. But I do think it should have given Mr M more information about the transfer process so that he could understand what to expect and how to follow up on delays. Taking this into account, I think £250 is a fair level of compensation for the stress caused to Mr M during the transfer process.

### **my final decision**

For the reasons given above, this complaint is upheld. I direct Hargreaves Lansdown Asset Management Limited to:

- refund the transfer fee for the ISA and the ISA 3 plus interest at 8% simple
- refund the management fees on the ISA and ISA 3 from August 2014 onwards plus interest at 8% simple
- pay Mr M £250 as compensation for the stress its delays and lack of information caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 March 2016.

Susie Alegre  
**ombudsman**