

## **The complaint**

The estate of Mr Y (“the estate”) complains that Farsight Financial Limited (“Farsight”) was paid adviser fees but didn’t provide any service or advice to Mr Y in exchange for this. The estate also complains about the adequacy of Farsight’s handling of this complaint. To put things right, the estate wants all adviser fees deducted from Mr Y’s pension plan refunded.

## **Scope of this final decision**

The estate complains about adviser fees deducted from Mr Y’s pension plan following pension switch advice in July 2013. Adviser fees were deducted from his plan until August 2019. Mr Y was a client of the same regulated adviser during this period. The estate believes the adviser is personally accountable for the issues complained about. This isn’t true. Rather, the two regulated businesses the adviser represented during this period are accountable for his actions and/or omissions and investigating any complaints.

The two businesses are separate legal entities and unconnected from a regulatory point of view – this is demonstrated by the fact they have separate reference numbers on the financial services register. Therefore the complaint has been severed in two so that the issues can be considered separately against each business. This is because Farsight isn’t responsible for the acts and/or omissions of the adviser when he represented the unconnected business and vice versa. Both businesses have accepted that the complaints have been set up against them correctly.

This final decision covers events from the point Farsight took over servicing of Mr Y’s pension plan on 8 March 2019 until he terminated their relationship in August 2019. Events before 7 March 2019 have been considered under a separate final decision.

## **What happened**

On 8 March 2019, the servicing of Mr Y’s pension plan was transferred to Farsight. As part of this transfer, an ongoing adviser fee of 1% per year was to be deducted from the plan and paid to Farsight. This ongoing fee was based on the plan fund value, with a proportionate amount of the fee deducted daily throughout the year.

Farsight didn’t make Mr Y aware servicing of his plan had been transferred to it or seek his agreement to pay the ongoing adviser fee – he said he first became aware of this when he saw Farsight’s name on a statement received from the plan provider. He was unhappy that adviser fees were deducted from his plan but hadn’t received any service or advice in exchange for this. He called the adviser on several occasions in July 2019 to discuss this but received no immediate response. They met in late August 2019 when the adviser offered a formal review of his plan, but Mr Y declined this.

The adviser accepted that he had provided a poor level of service and paid Mr Y £500 compensation – this offer was made by the adviser while representing the unconnected business, as confirmed by the letterhead on which the offer was made.

Although Mr Y accepted the £500 compensation, he felt he was entitled to a full refund of all

adviser fees deducted from his plan since July 2013 which amounted to about £3,000 including the initial fee for the pension switch advice. So he complained and requested a full refund. In August 2019, Mr Y instructed the plan provider to stop paying the ongoing adviser fee to Farsight.

In its final response letter Farsight explained to Mr Y that it was only responsible for events after it took over servicing of his plan on 8 March 2019. It acknowledged that it didn't send a welcome letter and that it could've provided a better level of service. It said it didn't carry out immediate servicing of his plan because the annual renewal date fell on 28 July 2019. And because the adviser was away on holiday in early August 2019, it meant he couldn't meet Mr Y until late August 2019 at the earliest. To remedy the matter, Farsight offered to refund to Mr Y the full £111.07 in adviser fees it had received from his plan since 8 March 2019. He didn't accept this and instead referred the matter to this service.

Our investigator didn't uphold this complaint. She concluded that Farsight had provided a poor level of service which resulted in Mr Y experiencing trouble and upset because he wasn't kept up to date about the changes applied to his plan. But she didn't think it had handled his complaint unfairly. Overall, she was satisfied Farsight had taken reasonable steps to put things right by offering a full refund of adviser fees of £111.07 it had received from Mr Y's plan. But he didn't accept this because he wanted all adviser fees refunded. Therefore this complaint has been referred to me to make a final 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.

In deciding what's fair and reasonable, I take account of relevant law, regulation, guidance and what I consider to be good industry practice. Where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think it most likely to have happened based on the available evidence and the wider surrounding circumstances.

Mr Y recently passed away. Before going any further, I'd like to offer my sincere condolences to his family for their loss.

From reading the substantial correspondence, it's clear the estate feels aggrieved about the adviser fees deducted from Mr Y's plan and Farsight's handling of this complaint. The estate says that when handling this complaint, Farsight knew Mr Y was disabled but harassed and intimidated him which breached his rights under the Equality Act 2010. The estate says Farsight's unfair treatment had a detrimental impact on Mr Y's health and contributed to his death. I'm very sorry to hear that Mr Y's family feel this way and will bear this in mind when reaching my final decision.

I'll look at each issue separately.

#### *Adviser fees paid to Farsight*

It's not in dispute that Farsight provided a poor level of service to Mr Y from the point it took over servicing of his plan on 8 March 2019 until he terminated their relationship in August 2019. To remedy the matter, Farsight offered a full refund of adviser fees of £111.07 it received from Mr Y's plan.

To determine if there's any other financial loss flowing from Farsight's poor level of service, I've thought about what might have happened had Farsight sent a welcome letter to Mr Y in

March 2019 and he responded to it immediately. Since Mr Y wasn't prepared to pay adviser fees and declined Farsight's offer in August 2019 to carry out a formal review of his plan, I find it more likely than not that he still would've made the same decision to terminate his relationship with Farsight, albeit sooner – and I think it's likely this would have led to Farsight refunding the adviser fees it had received up to that point, which is exactly what it's offered to do. So it's the same outcome. Therefore I'm content there's no other financial loss to consider.

The estate says it wants all adviser fees deducted from Mr Y's plan refunded – this is exactly what Farsight has offered to do. Bearing in mind Farsight is only responsible for adviser fees deducted from 8 March 2019 onwards and it's already offered to refund these, I'm content this is a fair offer and in line with what I would've directed it to do had it not already made the offer. To be clear, Farsight isn't responsible for either the pension switch advice in July 2013 and the initial advice fee in connection with this or the ongoing charges before 8 March 2019.

Farsight's told this service its offer remains open.

#### Farsight's complaint handling

Complaint handling itself isn't a regulated activity. This means I can't consider the quality of a business's complaint handling. Although, I think it's important to note here that I haven't seen any evidence the actions taken by Farsight in response to this complaint amount to harassment or intimidation. Or that Farsight treated Mr Y differently because he was disabled or that it breached his rights under the Equality Act 2010. Rather, in response to this complaint, I can see that Farsight instigated its formal complaint process, as it was required to do so under the regulator's rules, and issued within eight weeks a comprehensive final response letter in which it accepted the complaint and offered compensation to Mr Y – compensation which I've deemed to be fair, as explained above.

#### **My final decision**

I've decided not to uphold this complaint against Farsight Financial Limited. Should the estate now wish to accept Farsight's offer of a refund of adviser fees as set out in its final response letter, then it should contact it to arrange settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr Y to accept or reject my decision before 28 January 2021.

Clint Penfold  
**Ombudsman**