

## **The complaint**

Mr M complains that Succession Wealth Management Ltd failed to manage his personal pension or carry out annual reviews. He says he paid charges for years without getting any service in return.

## **What happened**

Mr M retired in May 2014. He had a meeting with his then financial adviser (who I will call "C") beforehand. C said it would carry out a yearly financial review and Mr M would be charged a fee for this.

Mr M says he received a policy review document from his pension provider in May 2017 which named Succession Wealth as his adviser instead of C. Mr M called C, who confirmed Succession Wealth was now his adviser and said he would hear from them in due course.

Mr M didn't hear from Succession Wealth but continued to be charged. He says as he continued to receive his pension, he wasn't too concerned about this at the time.

In May 2020 Mr M received another policy review document from his pension provider confirming Succession Wealth as his adviser. Mr M contacted Succession Wealth in June to obtain further information about his plan but was initially told it didn't have a record of him. He was then sent wrong emails due to his details being mixed up with another client.

Mr M continued to chase this and in September 2020 he was advised Succession Wealth had been taking fees and would arrange for these to be refunded. Mr M says he was told his details would be passed on to the complaint team, but he didn't hear from them.

Mr M complained about the lack of service and said he had been financially disadvantaged as his investment has not been maximised and he was being charged for a service that was not provided.

Succession Wealth said that after taking over from C, it had sent a letter to clients and so Mr M could have made contact at any time if he wanted to arrange a review of his pension arrangements. But it accepted he hadn't had a review since taking over from C and offered a refund of fees from 2017 onwards of around £1,100.

Mr M wasn't happy with the offer and referred his complaint to this service. Our investigator said he couldn't see that Mr M had had any reviews of his pension before 2017, not just afterwards, so the fees should be refunded for the whole period from 2014 until 2021. And as Succession Wealth had taken on C's responsibilities, it should cover the whole period.

The investigator didn't think Succession Wealth should pay compensation for any financial loss in respect of the performance of Mr M's pension, as Mr M hadn't shown he had suffered a loss and in addition, it wouldn't be fair to have both a refund of fees for the lack of service provided and compensation in relation to the performance of his pension. But he thought Mr M had been caused some distress and inconvenience and should be compensated £200 for this. He asked Succession Wealth to pay this compensation and provide Mr M a

calculation of how the refund was worked out.

Succession Wealth has accepted the investigator's view and agreed to refund the fees, together with interest, and pay the compensation of £200. It has provided a breakdown of the refund calculation.

Mr M does not accept the settlement. He says the total fees he paid were over £3,000. Our investigator has explained that the fees included a charge for the initial work carried out in 2014 and, since that work had been done, it wouldn't be fair to refund those charges. Mr M remains unhappy, and says his pension performed poorly because it wasn't being managed, so he should be compensated for this.

### **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.

Succession Wealth has said it can't find any record of a letter being sent to Mr M about arranging a review of his pension. And it accepts that Mr M never signed a letter of engagement, meaning no terms of business were ever agreed with him. It couldn't provide a service to him without his agreement to this.

Since Mr M never entered into an agreement with Succession Wealth for services, and never received any service, it's fair that he should be refunded his fees. Succession Wealth isn't entitled to be paid for a service that hasn't been provided.

Succession Wealth has provided a calculation of charges to be refunded. This is split into two parts – the first covering the period up to 2018, and the second for the period from 2018 to 2021, with interest added at 8% and a deduction for tax on the interest. The calculation has been done in that way to reflect the fact that C went into liquidation in 2018. The total net payment to Mr M amounts to £3,082.02, including interest up to 30 November 2021 and compensation of £200 for distress and inconvenience.

Mr M has questioned the amount offered; he says it's based on charges of £2,240.66 but he paid a total of £3,490.80.

The total Mr M paid includes the 'set up' charge of £1,125 paid in 2014. That fee was for the initial work advising him on his pension and putting things in place for him. Since that work was carried out, it was appropriate for that fee to be paid. So it hasn't been included in the refund calculation.

The refund is in respect of the ongoing charges that were deducted. These charges were for the ongoing service, which was never provided. Since this work wasn't done, Mr M should not have to pay for it. So these fees should be refunded to him (with interest added).

I appreciate Mr M has also asked about compensation for the loss of value in his pension due to it not being managed. If it was being managed, he would have had to pay charges for the service being provided to him. So it wouldn't be fair to refund the fees and consider additional compensation – he would be benefiting twice, by getting compensation for something he hasn't paid for. Although he wasn't receiving any service from Succession Wealth, he didn't challenge that at the time or ask for his pension to be reviewed. He says he wasn't overly concerned, since his pension was being paid. Taking all of these circumstances into account, I think the fair outcome here is to refund the charges to Mr M. I also agree with our investigator's view that he should be paid £200 to acknowledge the

distress and inconvenience caused to him by the poor service and delays in responding to him.

For these reasons, my view is that the compensation offered (including a payment of £200 for the distress and inconvenience Mr M has suffered) is a fair settlement.

### **Putting things right**

Succession Wealth Management Ltd should pay the following to Mr M:

- the total set out in the calculation provided of £3,082.02 (which includes interest up to 30 November 2021 and compensation of £200 for distress and inconvenience); and
- simple interest on the refund of charges at the rate of 8% from 1 December 2021 to the date of payment (less any required deduction for tax).

### **My final decision**

I uphold the complaint and direct Succession Wealth Management Ltd to make the payments set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 October 2022.

Peter Whiteley  
**Ombudsman**