DRN-3271496

The complaint

Mr C complains that Martin Aitken Financial Services Limited ('MAFS') recommended he transfer the benefits he held in two defined-benefit occupational pension schemes ('DB schemes') to a self-invested personal pension ('SIPP'). The funds were subsequently invested in high-risk investments which Mr C says weren't suitable for him.

What happened

Mr C was introduced to MAFS through an unregulated introducer, Mr B, in 2014 for pension transfer advice. Mr C says he met with Mr B on several occasions and only met with MAFS's adviser, Mr M, once.

In February 2015 Mr M produced a retirement planning report in which he recommended Mr C transfer the benefits held in his DB schemes to a SIPP. Mr M recommended that the funds should be left in cash. He said another financial adviser (from a firm I'll refer to as 'F') would provide investment recommendations in line with Mr C's attitude to risk, which had been assessed as 'balanced' or 'medium'.

Mr C accepted the recommendations and a total of £174,582.29 was transferred to the SIPP in August 2015. MAFS took a fee of 3% of the total transfer value – £5,237.47. On 26 August 2015, £100,100 of Mr C's funds were invested with 'S', a discretionary fund manager. £100,000 was then invested in in Optima bonds. A further £60,000 was invested in Optima bonds on 14 September 2015.

In late 2016 MAFS started looking into pension advice provided where Mr B had acted as the introducer. And Mr M was dismissed as a result of regulatory breaches MAFS uncovered through its investigation. Soon after, S went into administration, meaning Mr C's investments were inaccessible and were potentially worthless.

Mr C was informed and MAFS initiated a complaint on his behalf against the SIPP provider and F through our Service, and a claim against S through the Financial Services Compensation Scheme ('FSCS'). Mr C's complaint against the SIPP provider is ongoing. Mr C's complaint against F wasn't upheld as there was no evidence to suggest that Mr B had been acting on behalf of F and F had not given any investment recommendations. The FSCS rejected Mr C's claim against S on the grounds that his complaint against the SIPP provider hadn't yet been resolved and it was possible he could recover his losses from it instead.

In 2021, Mr C complained about the role MAFS played in the advice he received. He thought Mr M had been negligent by allowing Mr B to be involved. He said Mr M had also advised him to invest in the Optima bonds and the advice was unsuitable.

MAFS said its advice to transfer Mr C's DB schemes was suitable as it allowed him to improve on the death benefits available to his young dependent son - it said he had no need for the spouse's pension provided by the DB schemes. MAFS also said it allowed Mr B to take a higher level of tax-free cash ('TFC'). And in any event, it hadn't given any advice on the investments and Mr C's loss was wholly attributable to the advice given to him by Mr B.

Mr C referred his complaint to our service. Our investigator upheld the complaint on the grounds that MAFS did not provide suitable advice as the regulator had made it clear that when giving advice on a pension transfer it needed to consider the investments intended to be held in the SIPP and it had failed to do so. Had MAFS known about the intended investments in the Optima bonds – as it should have as part of the advice it was giving – the investigator thought it should not have recommended that Mr C proceed with the transfer. This was because the investment strategy was too high risk for him. The investigator recommended MAFS compensate Mr C for the whole of his loss.

MAFS didn't agree. It maintained the advice was suitable. As no agreement could be reached the complaint was passed 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.

When considering what is fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Having done so, I've decided to uphold the complaint. I'll explain why.

The regulator, the Financial Conduct Authority ('FCA'), states in its Conduct of Business Sourcebook ('COBS') that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, MAFS should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr C's best interests (COBS 19.1.6). And having looked at all the evidence available, I'm not satisfied it was in his best interests.

Financial viability of the transfer

The advice was given during the period when the Financial Ombudsman Service was publishing 'discount rates' on our website for use in loss assessments where a complaint about a past pension transfer was being upheld. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, I consider they provide a useful indication of what growth rates would have been considered reasonably achievable when the advice was provided.

Mr C was 43 at the time the advice was given to him but had turned 44 by the time the transfers went ahead. He had two DB schemes with his former employer, representing two concurrent periods of service. The DB scheme with the largest transfer value – DBS1 – had a normal retirement age of 60 for the vast majority of the pension benefits. The DB scheme with the smaller transfer value – DBS2 – had a normal retirement age of 65. Although Mr C told MAFS he would like to retire early if he could, he thought he was likely to retire at 66.

The investment return (critical yield) required to match DBS1 at age 60 was 8.5% per year if he took a full pension and 7.4% if he took TFC and a reduced pension. For DBS2, the critical yield to match the benefits provided by the scheme at age 65 was 6.5% per year if he took a full pension and 5.9% if he took TFC and a reduced pension. This compares with the discount rate of 5% per year for 16 years to retirement and 5.1% for 21 years to retirement. For further comparison, the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2% per year.

I've taken this into account, along with the composition of assets in the discount rate, Mr C's medium attitude to risk and also the term to retirement. There would be little point in Mr C giving up the guarantees available to him through his DB schemes only to achieve, at best, the same level of benefits outside the scheme. But here, given the lowest critical yield for DBS1 was 7.4%, and 5.9% for DBS2, I think Mr C was likely to receive benefits of a substantially lower overall value than his DB schemes provided at retirement, as a result of investing in line with that attitude to risk.

MAFS's adviser appears to have acknowledged this because in the suitability report dated 2 February 2015, Mr M said the critical yields for DBS1 might be deemed achievable if Mr C employed a medium-high investment strategy. However, having assessed Mr C's attitude to risk as 'medium', I think Mr M ought to have known it wasn't appropriate for Mr C to take that level of risk with his only pensions – particularly as he'd been out of work since being made redundant by his former employer. Both the discount rate and the regulator's middle growth rate were 5%, so I don't think Mr C could've reasonably expected higher growth than this. So, I think Mr M ought to have known that the critical yields were unlikely to be achieved, meaning Mr C was likely to be worse off in retirement.

The adviser added that because Mr C didn't intend to retire until age 66, he would be able to leave the funds invested for longer, which would lower the critical yields. But I don't see why Mr C would've deferred taking his pension until age 66, when it was payable at age 60, particularly if it meant he could retire earlier or potentially reduce his working hours. So, I don't think it was reasonable to downplay the significant critical yield the DBS1 funds needed to achieve.

With regard to DBS2, MAFS said that the critical yield was achievable if Mr C employed a medium risk investment strategy. But this was still higher than the discount rate and the middle growth rate, which I think were more accurate measures of what level of growth could reasonably be achieved at the time.

Overall, I think MAFS gave Mr C the impression that he could improve on the benefits he was entitled to under his DB schemes if he transferred to a SIPP. But I think that was very unlikely. MAFS ought to have made it clear to Mr C that transferring out of the DB schemes would likely lead to a lower pension at retirement.

For this reason alone a transfer out of the DB schemes wasn't in Mr C's best interests. Of course financial viability isn't the only consideration when giving transfer advice, as MAFS has argued in this case. There might be other considerations which mean a transfer is suitable, despite providing overall lower benefits. I've considered these below.

Flexibility and TFC

MAFS said that Mr C wanted to maximise his TFC and he wanted flexibility. It said he didn't want an annuity.

I think most people when asked would choose flexibility, but I don't think that necessarily meant that Mr C actually needed flexibility at the point of advice. Mr C was over 10 years away from being able to access his pension and over 20 years away from his expected retirement age. So, I think it was too early for Mr C to say what his needs in retirement would be, and whether or not he would prefer a fixed income over flexibility.

Furthermore, there was no real analysis of what Mr C's income needs in retirement would be – the fact-find says Mr C wanted £24,000 per year but that hasn't been justified in relation to known expenses. That isn't surprising given his retirement was 20 years away, but it means that at the time of the advice there was no compelling reason, in my opinion, for Mr C to give up the guaranteed income his DB schemes provided. Under DBS1 Mr C would be entitled to

£8,981.24 at age 60 and an extra £1,307.66 at age 65. Under DBS2 Mr C was entitled to £1,607.38 at age 65. All of the pension income would escalate in payment. So, this would go a significant way towards funding Mr C's retirement. And I don't think Mr C should've been advised to give that up particularly when the income Mr C could generate from a personal pension was subject to investment risk and was likely to be less overall.

There is also no documented need as to why Mr C thought he would need an amount of TFC above that provided by his DB schemes, which was £58,090 at age 60 and £10,574 at age 65. For this reason, I don't think Mr C had a genuine need for flexibility in retirement. And if he did in fact think he needed flexibility, this could've been explored closer to his retirement.

Death benefits

It appears that MAFS's main argument for recommending Mr C transfer his DB schemes to a SIPP was because he was single and so it said he had no need for the spouse's pension provided by the DB schemes. It said Mr C wanted to be able to pass on his pension to his son, who was six at the time of the advice, as he had little life assurance cover.

Death benefits are an emotive subject and of course when asked, most people would like their loved ones to be taken care of when they die. The lump sum death benefits on offer through a SIPP was likely an attractive feature to Mr C. But whilst I appreciate death benefits are important to consumers, and Mr C might have thought it was a good idea to transfer his DB schemes to a SIPP because of this, the priority here was to advise Mr C about what was best for his retirement provisions. A pension is primarily designed to provide income in retirement. And I don't think MAFS explored to what extent Mr C was prepared to accept a lower retirement income in exchange for higher death benefits.

I also think the existing death benefits attached to the DB schemes were seriously underplayed. Mr C was single – but at only 43 it was possible he'd have a partner in the future who could've benefitted from the 50% spouse's pension attached to the DB schemes. If Mr C died before retirement a lump sum was also payable. Furthermore, both of the DB schemes provided for a dependent's pension if Mr C was unmarried at the time of his death whether this was pre or post retirement. In addition, a child's pension was payable up to the age of 18 (or 23 if in full-time education or training) – the amount payable was dependent on whether spouse's pension was paid. While MAFS referred to the spouse's pension in the suitability report, it failed to mention that a dependent's pension could be paid if Mr C wasn't married or that a child's pension was also payable.

This was a significant omission and in my view, meant that Mr C wasn't given an accurate picture of the death benefits his scheme provided. So, I don't think MAFS made the value of the benefits attached to the DB schemes clear enough to Mr C. These benefits were guaranteed and they escalated in payment – they were not dependent on investment performance, whereas the sum remaining on death in a SIPP was.

Furthermore, if Mr C genuinely wanted to leave a legacy for his child, which didn't depend on investment returns or how much of his pension fund remained on his death, I think MAFS should've instead explored life insurance. Mr C was relatively young, so insurance ought to have been explored on a whole of life or term assurance basis, which was likely to be cheap to provide and wouldn't have risked Mr C's own security in retirement.

Overall, I don't think different death benefits available through a transfer to a SIPP justified the likely decrease of retirement benefits for Mr C. And I don't think that insurance was properly explored as an alternative.

Control

I think Mr C's desire to 'cut ties' with his employer and to have control over his pension benefits was overstated. Mr C was not an experienced investor and I cannot see that he had an interest in or the knowledge to be able to manage his pension funds on his own. So, I don't think that this was a genuine objective for Mr C – it was simply a consequence of transferring away from his DB schemes. Furthermore, MAFS noted that Mr C's schemes were fully funded. So, he should have been reassured that his pensions were secure.

Summary

I don't doubt that the flexibility, control and potential for higher death benefits on offer through a SIPP would have sounded like attractive features to Mr C. But MAFS wasn't there to just transact what Mr C might have thought he wanted. The adviser's role was to really understand what Mr C needed and recommend what was in his best interests.

Ultimately, I don't think the advice given to Mr C to transfer out of his DB schemes was suitable. He was giving up a guaranteed, risk-free and increasing income. By transferring, Mr C was very likely to obtain lower retirement benefits and in my view, there were no other particular reasons that would justify a transfer and outweigh this, particularly when Mr C was so far away from his retirement or being able to access any of the benefits.

So, I think MAFS should've advised Mr C to remain in his DB schemes. And I'm satisfied that Mr C would have listened to that advice, despite the involvement of Mr B. I say this because Mr C was not an experienced investor and he was currently unemployed – these pensions accounted for all of his retirement provision. So, if MAFS had provided Mr C with clear advice against transferring out of the DB schemes, explaining why it wasn't in his best interests, I think he would've accepted that advice.

Investments made through S / Mr B

As I'm upholding the complaint on the grounds that a transfer out of the DB schemes wasn't suitable for Mr C, it follows that I don't necessarily need to consider the suitability of the investments that went on to be made. This is because Mr C should have been advised to remain in the DB schemes and I think he would've accepted that advice. So the investments in the Optima bonds would never have arisen if suitable advice had been given.

Nevertheless, MAFS has argued that Mr C didn't suffer any loss until his funds were invested in an account with S, through which the Optima bonds were purchased. MAFS says its adviser had no involvement in this – it simply recommended Mr C's funds be held in cash and understood that F would be advising on the investments. MAFS now knows that the investments were instead arranged by Mr B, the unregulated introducer. So, MAFS feels that it should not be held responsible for any of the loss associated with the investment in the Optima bonds.

However, I don't think MAFS fulfilled its obligations to Mr C under the FCA's rules when advising Mr C. At the time of the advice the regulator had made its view clear that it considered in order to suitably advise on pension transfers, a firm needed to consider the suitability of the underlying investments to be held in it. The regulator's position was evident in its 2013 alert where it said:

"Financial advisers (…) are under the mistaken impression (…) they do not have to consider the unregulated investment as part of their advice to invest in the SIPP and that they only need to consider the suitability of the SIPP in the abstract. This is incorrect.

The [regulator's] view is that the provision of suitable advice generally requires consideration of the other investments held by the customer or, when advice is given on a product which is a vehicle for investment in other products (such as SIPPs and other wrappers), consideration of the suitability of the overall proposition, that is, the wrapper and the expected underlying investments in unregulated schemes. It should be particularly clear to financial advisers that, where a customer seeks advice on a pension transfer in implementing a wider investment strategy, the advice on the pension transfer must take account of the overall investment strategy the customer is contemplating (…)

If you give regulated advice and the recommendation will enable investment in unregulated items, you cannot separate out the unregulated elements from the regulated elements."

A further alert from the regulator in 2014 stated:

"Where a financial adviser recommends a SIPP knowing that the customer will transfer or switch from a current pension arrangement to release funds to invest through a SIPP, then the suitability of the underlying investment must form part of the advice given to the customer. If the underlying investment is not suitable (…), then the overall advice is not suitable.

If a firm does not fully understand the underlying investment proposition intended to be held within a SIPP, then it should not offer advice on the pension transfer (…) at all as it will not be able to assess suitability of the transaction as a whole."

I acknowledge that the regulators' statements in these alerts are not 'guidance' or 'rules' or 'standards' in the sense that such requirements are specified by the regulator in its Handbook. Nonetheless, I think it is a relevant consideration when determining this complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case. Both alerts specifically referred to the Principles for Businesses ('PRIN') and COBS, which MAFS was subject to. And with reference to PRIN and COBS the alerts said a firm would fall short of its obligations under these precepts if it didn't familiarise itself with the intended investment strategy and that it wouldn't be able to recommend a new product, like a SIPP, without doing so.

MAFS appears to have been under the impression that, as it told Mr C it wasn't providing any advice on the underlying investments, this enabled it to provide advice on a restricted basis. But this wasn't right. Under COBS 2.1.2 MAFS couldn't seek to exclude or restrict its duty or liability to Mr C under the regulatory system. So, saying it was operating under a limited retainer didn't absolve it of its duty of care to ensure the advice it was providing was suitable – again, this had to include consideration of how Mr C's funds would be invested. I don't think there was any ambiguity regarding the regulator's position on the matter.

So, notwithstanding my view that transferring Mr C's DB schemes to a SIPP wasn't suitable for him, MAFS should not have advised Mr C to do so in any event without knowing the investments that F was proposing for him. As the regulator made clear, it could not give suitable advice without knowing how Mr C's funds were to be invested.

Had MAFS made contact with F to gather details of the investment strategy it proposed for Mr C, it would've found out that F had not been engaged to provide investment advice to Mr C. And instead it was Mr B, which MAFS knew to be an unregulated introducer, who was going to be arranging the investments for Mr C. At this point MAFS would've known that Mr C was at risk of being given advice from an unregulated 'adviser' and that he was vulnerable to unsuitable investments being made on his behalf.

Notwithstanding the above, I've also seen clear evidence demonstrating that MAFS was aware that an account with S had been set up before any investments were made. The SIPP application – which Mr M signed – confirmed that an account with S was to be set up for Mr C. So, I think the above evidence demonstrates the account with S was set up on MAFS's instruction. This was already a significant deviation from the advice given to Mr C by MAFS, as per the suitability report, which recommended the entirety of the funds should be retained in the SIPP cash account. So, this leads me to believe MAFS's adviser was aware of the types of investments that Mr C would be going on to make.

MAFS hasn't provided any evidence to show that Mr C instructed MAFS to open the account with S. MAFS also denies that Mr M advised Mr C to do anything other than transfer the funds to the SIPP cash account. So, in the absence of another explanation, it seems likely to me that MAFS could have been acting on the instructions of Mr B at this point. Although I haven't seen evidence in relation to Mr C, I understand it was not unusual practice for Mr B to provide investment instructions directly to MAFS for customers he'd introduced to it. Given the account being opened with S went against MAFS's earlier advice, and Mr C says Mr B continued to be involved, I think this is the most likely explanation here.

I know that letters were sent to S, signed by Mr C, which gave instructions to purchase the Optima bonds in August 2015 and September 2015 and that this was mostly likely orchestrated by Mr B. But the only way this could've actually happened was by MAFS facilitating it. As I've set out in detail above, MAFS should not have advised Mr C to transfer his pensions to the SIPP. MAFS then instructed the SIPP provider to open the account with S, through which the investments in the Optima bonds were made. So, but for MAFS's involvement, the purchase of the bonds wouldn't have gone ahead.

And in any event, MAFS ought to have advised Mr C on the suitability of the proposed investments to be held in the SIPP – so, the whole transaction envisaged – at the outset. Had it understood that Optima bonds were the investments proposed for Mr C, I would've expected MAFS to have advised Mr C that it couldn't recommend he transfer away from his DB schemes in those circumstances as the investments were too high risk for him. And if MAFS had warned Mr C against investing in line with that proposal, I think it's more likely than not that Mr C would've listened and not gone ahead with those investments.

It seems MAFS accepts that these investments weren't suitable for Mr C – it simply argues that it could not have prevented them from being made. But as I've explained, I think MAFS's unsuitable advice in respect of the pension transfers led to the investments being made. So it follows that I think holding MAFS fully responsible for the whole of Mr C's loss represents fair compensation in this case. And Mr C should be compensated for his loss using the regulator's defined benefits pension transfer redress methodology.

I'm aware Mr C has made a claim about S to the FSCS. But as a scheme of last resort, it's possible the FSCS won't pay out if a third party could also be held liable – and it appears that is the approach the FSCS has already taken here. So this means an apportionment of only part of the loss to MAFS could risk leaving Mr C out of pocket. But I think it's important to point out that I'm not saying MAFS is wholly responsible for the losses simply because S is now in liquidation. My starting point as to causation is that MAFS gave unsuitable advice and it is responsible for the losses Mr C suffered in transferring his existing pensions to the SIPP and investing as he did. That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position. With this in mind – and recognising also that Mr C wouldn't have lost out at all but for MAFS's failings and that MAFS benefitted financially from advising on this transaction – I think MAFS being responsible for the whole of the loss represents fair compensation in this case.

Putting things right

A fair and reasonable outcome would be for the business to put Mr C, as far as possible, into the position he would now be in but for MAFS's unsuitable advice. I consider Mr C would have most likely remained in his DB schemes if suitable advice had been given.

MAFS must therefore undertake a redress calculation in line with the regulator's pension review guidance as updated by the Financial Conduct Authority in its Finalised Guidance 17/9: Guidance for firms on how to calculate redress for unsuitable DB pension transfers.

For clarity, Mr C has not yet retired or accessed his pension, and he has no plans to do so at present. So, compensation should be based on his scheme normal retirement ages of 60 and 65, as per the usual assumptions in the FCA's guidance.

This calculation should be carried out as at the date of my final decision and using the most recent financial assumptions at the date of that decision. In accordance with the regulator's expectations, this should be undertaken or submitted to an appropriate provider promptly following receipt of notification of Mr C's acceptance of the decision.

MAFS may wish to contact the Department for Work and Pensions (DWP) to obtain Mr C's contribution history to the State Earnings Related Pension Scheme (SERPS or S2P). These details should then be used to include a 'SERPS adjustment' in the calculation, which will take into account the impact of leaving the occupational scheme on Mr C's SERPS/S2P entitlement.

If the redress calculation demonstrates a loss, the compensation should if possible be paid into Mr C's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr C as a lump sum after making a notional deduction to allow for income tax that would otherwise have been paid. Typically, 25% of the loss could have been taken as tax-free cash and 75% would have been taxed according to his likely income tax rate in retirement - presumed to be 20%. So making a notional deduction of 15% overall from the loss adequately reflects this.

The payment resulting from all the steps above is the 'compensation amount'. This amount must where possible be paid to Mr C within 90 days of the date MAFS receives notification of his acceptance of my final decision. Further interest must be added to the compensation amount at the rate of 8% per year simple from the date of my final decision to the date of settlement for any time, in excess of 90 days, that it takes MAFS to pay Mr C.

It's possible that data gathering for a SERPS adjustment may mean that the actual time taken to settle goes beyond the 90 day period allowed for settlement above - and so any period of time where the only outstanding item required to undertake the calculation is data from DWP may be added to the 90 day period in which interest won't apply.

My aim is to return Mr C to the position he would have been in but for MAFS's actions. It seems likely that some or all of Mr C's investments in the SIPP are illiquid, meaning they can't be readily sold on the open market. If this is the case it can be complicated to establish their value.

To calculate the compensation in this event, MAFS should agree an amount with the SIPP provider as a commercial value, then pay the sum agreed to the SIPP plus any costs, and take ownership of the investments.

If MAFS is unable to buy the investments, they should give it a nil value for the purposes of calculating compensation. The value of the SIPP used in the calculations should include anything MAFS has paid into the SIPP and any outstanding charges yet to be applied to the SIPP should be deducted.

In return for this, MAFS may ask Mr C to provide an undertaking to account to it for the amount of any payment he may receive from the investment in future. That undertaking should allow for the effect of any tax and charges on what he receives. MAFS will need to meet any costs in drawing up the undertaking. If MAFS asks Mr C to provide an undertaking, payment of the compensation awarded may be dependent upon provision of that undertaking.

In order for the SIPP to be closed (should Mr C wish to move his investment portfolio) and further SIPP fees to be prevented, the investments need to be removed from the SIPP. I've set out above how this might be achieved by MAFS taking over the investment, or this is something that Mr C can discuss with his SIPP provider directly. But I don't know how long that will take. Third parties are involved, and we don't have the power to tell them what to do. To provide certainty to all parties, I think it's fair that MAFS pay Mr C an upfront lump sum equivalent to five years' worth of SIPP fees (calculated using the previous year's fees). This should provide a reasonable period for the parties to arrange for the SIPP to be closed.

Where I uphold a complaint, I can award fair compensation of up to £160,000, plus any interest and/or costs that I consider are appropriate. Where I consider that fair compensation requires payment of an amount that might exceed £160,000, I may recommend that the MAFS pays the balance.

My final decision

Determination and award: I uphold the complaint. I consider that fair compensation should be calculated as set out above.

My decision is that Martin Aitken Financial Services Limited should pay the amount produced by that calculation up to the maximum of £160,000 (including distress or inconvenience but excluding costs) plus any interest on that amount as set out above.

Recommendation: If the amount produced by the calculation of fair compensation exceeds £160,000, I recommend that Martin Aitken Financial Services Limited pays Mr C the balance plus any interest on the balance as set out above.

If Martin Aitken Financial Services Limited does not pay the recommended amount, then any investment currently illiquid should be retained by Mr C. This is until any future benefit that he may receive from the portfolio together with the compensation paid by Martin Aitken Financial Services Limited (excluding any interest) equates to the full fair compensation as set out above.

Martin Aitken Financial Services Limited may request an undertaking from Mr C that either he repays to Martin Aitken Financial Services Limited any amount Mr C may receive from the portfolio thereafter, or if possible transfers the investment to MAFS at that point.

Mr C should be aware that any such amount would be paid into his pension plan so he may have to realise other assets in order to meet the undertaking.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 August 2022.

Hannah Wise
Ombudsman