

The complaint

Ms J complains about the advice that St. James's Place Wealth Management Plc ("SJP") gave her following the sale of a property. In particular, she says she was only looking for a short-term investment and wasn't made aware of the fees involved.

What happened

Following a property sale, Ms J met with an advisor from SJP in August 2019, looking to invest £150,000.

SJP say they advised her to invest in a selection of funds which they say matched her 'medium' attitude to risk. They say they also advised her to make use of her annual ISA allowance and invest the remainder outside of an ISA wrapper.

In 2020, Ms J complained to SJP. She said that her appetite for risk hadn't been assessed properly, that the investment didn't meet her short-term need to use the funds to buy a new house and that she wasn't made fully aware of the fees involved in the investment. SJP responded to say that it was a medium-term investment and that there was nothing recorded on the file to say that Ms J was looking to take her money out in the short-term. They pointed to a recorded objective of capital growth. They also said that fees were discussed and sent in writing.

As Ms J remained unhappy, she brought her complaint to our service for an independent review. Our investigator looked into it. She said that the investment matched Ms J's attitude to risk at the time of sale, according to the documentation we had been provided with. She also said that she couldn't see any record of Ms J being recorded as wishing to get her money back within 12 months to buy a property. She felt that the relevant docs had been sent in the post and that SJP weren't responsible if she didn't receive them or chase them up. Whilst she also felt that the fees charged had been made clear and in writing, she did agree that SJP should've updated Ms J's email address sooner and suggested £100 compensation for the impact this caused. Which she felt had been lessened by the information having been sent in writing.

Ms J remained unhappy. She maintained that she'd made it clear that it was a short-term investment and felt some wording from the point of sale implied this. She also pointed to some errors and discrepancies in the information which she felt supported her belief that the investment had been mis-sold to her.

As no agreement was reached, the case has been passed to me to issue a 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.

Having done so, I have come to the same conclusion as the investigator. I'll explain why.

Fortunately, as the sale only occurred in 2019, we have been able to get a copy of both the fact find and suitability letter, completed with Ms J at the time. She was recorded as having no financial dependents and looking to invest £150,000 of the approximate £250,000 she held as cash-based investments at the time. This means she had a further £68,000 held in ISA's and £15,000 in shares. After the investment she was to retain £100,000 as available cash savings and was recorded as having no outstanding liabilities.

SJP say in the suitability letter to Ms J that she wanted "higher growth" and "capital growth". Her attitude to risk was recorded as medium. I think this is fair based on her circumstances at the time. Whilst I appreciate she was retired and so wasn't able to recover any losses through employment, she was left with a substantial cash savings reserve. I am also satisfied that the funds selected (with Ms J also being recommended to make use of her annual ISA allowance) were all assessed as medium risk or lower.

However, Ms J says that the recommendation wasn't suitable as she was only looking to invest for the short-term and made the advisor aware that she was going to need the funds after a few months to purchase a property. However, there is nothing regarding this objective, recorded in any of the point of sale documentation. The recommendation letter only points to getting a different rental property the following summer.

Ms J has pointed to the statement from the SJP advisor which states that she was looking to "*grow capital in the 1st year*". However, it stated after this, "*and potentially support rental costs if needed in the future*". I believe the statement means that after the first year there might be a need for Ms J to take income from the investments to pay for rent. I don't believe this shows that the advisor was aware that Ms J would be selling the investments after a few months to buy a property. Further, whilst such funds should be seen as a medium to long term investment, I haven't seen any evidence of penalties or charges for taking the money out in the shorter term.

Ms J has also said that the fees involved were not fully explained to her. However, I have seen copies of the illustration and investment certificates sent to her and they include the fees and are in whole figures. Ms J has said that she didn't receive these documents and has disputed that they were posted to her, along with other point of sale documentation. However, I have been provided with copies of them, they are correctly addressed and SJP has provided us with evidence from their systems to show they were sent. Whilst Ms J might not have received them, I can't hold SJP responsible for that if they sent them correctly and if there is no evidence of Ms J chasing them up. Which I can't see that she ever did.

Ms J is also unhappy that SJP didn't update her email address correctly so she could have received a copy of information in that format. I agree with the investigator that this should have been done sooner. However, as I concluded above, I believe information was sent to Ms J in the post and she could and should have chased this up with SJP if she hadn't received anything. I agree that considering that the information was still sent in the post, £100 compensation for not updating this sooner is fair.

In summary, whilst I empathise with Ms J's situation that there was a fall in value due to market conditions shortly after investment, I don't agree that the recommendation was unsuitable. I believed it matched her attitude to risk and circumstances at the time. I can't conclude that Ms J made SJP aware she would need use of the funds after a few months and I think the fees were made clear. However, she should be compensated for SJP not updating her email address sooner.

My final decision

My final decision, for the reasons set out above, is that I only uphold this complaint in part. To put things right St. James's Place Wealth Management Plc should pay Ms J £100 if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 20 October 2022.

Yoni Smith
Ombudsman