DRN-3446360

The complaint

Mr W complains about the advice he received from Future Wealth Management (FWM) when he transferred three existing personal pensions to a Self-Invested Personal Pension (SIPP).

His funds were subsequently invested through two different discretionary fund managers (DFM), one of which was recommended by Pi. The funds managed by the other DFM were invested in high risk products. Mr W said he wasn't an experienced investor and didn't have the capacity for high risk investments.

At the time FWM was an appointed representative of Pi Financial Ltd (Pi), so they are responsible for FWM's actions and for this complaint. For ease of reading I'll refer to Pi throughout this decision**.**

What happened

Several firms will be mentioned in this decision. These are:

The Legal Partnership (LP) -unregulated introducer
Pi Financial Ltd (trading as FWM) - regulated financial adviser
Horizon Stockbroking Ltd (HS) – regulated discretionary investment manager-in liquidation
TAM Asset Management (TAM) – regulated discretionary investment manager
James Hay (JH)-SIPP provider

Mr W was contacted by LP with an offer to review his pensions for him. LP subsequently introduced Mr W to Pi.

Mr W signed a letter dated 7 July 2014 to Pi saying:

'I would like to transfer my existing pension plans… into a new Self Invested Personal Pension Plan, in order to allow me access a wider range of investment.
Could you please recommend a suitable SIPP provider and a Discretionary Fund Manager to manage 50% of the investment held within the SIPP, and arrange the transfer accordingly. Please note I would like to manage the remaining 50% of my funds so do not require any advice on this as I have a separate investment advisor.

I hope that you will be able to assist me and look forward to hearing from you regarding this request.'

On 10 July 2014 the adviser from Pi replied saying:

'Thank you for the letter of 7th July 2014 in which you instructed me to transfer your current…. Pension Plans into a new Self Invested Personal Pension (SIPP). I confirm I am happy to carry out your request and, as discussed, I will research the whole of the market to find the most appropriate SIPP for your requirements.

I have made you aware that, under normal circumstances, I would carry out a full review of *your personal and financial circumstances and assess them in relation to the suitability of the SIPP. However you have specifically requested this particular vehicle and did not want me to look into alternative options for you.*

You have requested no advice on the investments within the SIPP that will not be actively managed by the Discretionary Fund Manager.

I will have no input in these funds, as you are using a separate investment adviser for this, and therefore I will only be responsible for arranging, and transferring your funds into, the SIPP.'

A few days later, on 14 July, several documents were completed. Mr W signed a service agreement and fee schedule with Pi. This agreement indicated the service level was for 'limited advice'.

A fact find noted that Mr W was 55 years old, self-employed earning around £23,000 a year, with an intended retirement age of 66. In terms of assets he had his existing three pensions totalling around £50,000 and his home values at around £200,000 with an outstanding mortgage of £74,000. He had no other savings or investments.

A Knowledge and Experience Assessment recorded Mr W had bank accounts, his pensions and some single company shares in the past and that he had normally received advice. A box was ticked to say he had a strong knowledge of investments and how they work. The form asked to provide further details around this, but the notes section was left blank).

Three Pension Replacement Contract Forms were completed on the same day. They included information about Mr W 's existing pensions and the new SIPP, including charges and whether the existing plans held any guarantees. The risk category for the SIPP was recorded as medium, with an asset allocation being described as 'managed'. This matched what was recorded for the existing plans.

The *Reasons for Switching* section had ticks next to the headings:
No longer suitable for clients' investment objectives
Lack of features/flexibility
Other

A section on the form headed *Alternatives Considered* asked whether moving funds within the existing contracts was an option. This was ticked as no. And a note recorded this option was discounted because:

"Client setting up SIPP to invest to choose own funds & to invest with DFM.

Pi sent a suitability report dated 21 July 2014 and headed "*Personal Pension To SIPP Transfer."* This said, amongst other things:

'My advice is based on the details you provided at our meeting.'

Mr W signed a service agreement and fee schedule with Pi. This agreement indicated the service level was for 'limited advice'.
'You instructed me to specifically limit my advice to Pension Planning and setting up a Self Invested Personal Pension (SIPP) and I have acted accordingly. I have, therefore, only obtained the necessary information from you to advise on the above area. You should be aware that my recommendations may have differed if I had undertaken a full review of your financial circumstances.'

Objectives

At the present time, your prime objective is to review your Personal Pension contracts with …& set up a SIPP to provide you with greater investment choice and flexibility. In particular you would like to investigate a transfer which would provide you greater fund choices and the ability to manage a part of the portfolio in line with your agreed risk profile.

We have not discussed providing you with a target income in retirement or compared your existing providers projections. You have simply asked that I find a suitable Investment fund for 50% of your existing pension plan and via your SIPP you will self-Invest the rest in line with your agreed risk profile..”

Your Risk Profile

We established that your risk profile would lead you to be a balanced medium risk investor.”

And there was a section titled *Replacement Business* which said:

“In reviewing your objectives, I have recommended that you surrender/discontinue the contracts outlined in the Replacement Policy Form.

The rationale for this is also outlined in the Replacement Policy Form, which we completed during our last meeting and a copy of which is attached to this letter.”

The adviser outlined the points to consider for a transfer including charges, exit penalties (none); guaranteed annuity rates (none) and investment selection. The report also said the effect of the charges would depend on the investment chosen within the SIPP.

The SIPP recommendation section said:

‘We discussed the various ways you could achieve your present objective as outlined above. I recommend that you consider a *Self Invested Personal Pension (SIPP) Plan offered by James Hay Partnership. James Hay Partnership was chosen over the other providers on the original research due to their low annual management charge, low set up fee and quality of service.*

It is worthwhile outlining the product features of the contract recommended to demonstrate why it is suitable to your current circumstances and stated objectives, which I outlined earlier.’

Discretionary Fund Manager Recommendation
The provider I am recommending is TAM Asset Management’

It went on to set out the benefits of a SIPP and the reason TAM had been recommended as the DFM. The report was signed to confirm that Mr W had received and understood it on 25 July 2014.

An application for the SIPP was completed and signed by Mr W a day later. It showed Pi as the financial adviser and the initial adviser charges for transfers was 3% of each pension transfer received.

The SIPP was opened and Mr W’s pensions totalling around £52,000 were transferred from the ceding schemes in August 2014. Mr W took a pension commencement sum of around £12,000 shortly after. £10,000 was then invested through TAM and £27,000 through HS in October 2014 and May 2015 respectively.

Mr W invested into CFDs (contract for differences) through HS which are high risk. He lost significant amounts of his pension.

Mr W took his benefits from the SIPP and closed the account on 29 August 2019.

Mr W complained to HS about his losses in 2017. When this was rejected, he complained to this service and an adjudicator upheld his complaint. Subsequently HS went into liquidation and Mr W contacted the Financial Services Compensation Scheme (FSCS) to settle his claim. FSCS informed Mr W he should complain to Pi as they had given him advice which should have included an assessment of suitability of the underlying investments.

Mr W complained to Pi in May 2020 about the advice he received. They didn't uphold his complaint and so it was referred to this service.

One of our investigators considered the complaint. He recommended Mr W's complaint should be upheld. He didn't believe that Mr W's modest pension funds, his attitude to risk and his limited investment experience justified switching his pensions to a SIPP and DFM. He said that Pi needed to ensure the investments which he intended to make within his SIPP were suitable for him before recommending the switch.

Pi initially said that, as they had received similar decisions from us before, they were willing to calculate redress as recommended. However, they subsequently said it was unfair they were being asked to pay all losses when this service previously upheld the complaint against HS. As no agreement was reached, the complaint was passed to me for an ombudsman's 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.

Pi's position in summary is that:

- Mr W instructed Pi to recommend an appropriate SIPP provider and Discretionary Fund Manager (DFM) for 50% of his pension. It only provided Mr W with a limited advice service on these specific instructions.

- The SIPP was appropriate and the recommendation of the SIPP has not caused Mr W's losses.

- The investment strategy for the SIPP was the responsibility of HS who was also a regulated party. HS is responsible for Mr W's losses and not Pi who only played a very limited role here. The fact that HS is now in liquidation doesn't change this.

- The Financial Ombudsman Service previously found that HS had caused Mr W's losses, so it's unfair and unreasonable to hold Pi fully responsible for Mr W's losses and the claim should be passed to FSCS.

relevant considerations

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

The FCA's Principles for Businesses (PRIN) apply to all authorised firms including Pi. Of particular relevance to this complaint is:

PRIN 2: *A* firm *must conduct its business with due skill, care and diligence.*
PRIN 6*: "A firm must pay due regard to the interests of its customers and treat them fairly"*
PRIN 9: *"A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment".*

In addition, where regulated investment advice is given, the more detailed Conduct of Business Sourcebook (COBS) rules apply. Of particular relevance to this complaint are: COBS 9 which applies where a firm makes a personal recommendation in relation to designated investment.

COBS 9.2.1(1): 'A firm must take reasonable steps to ensure that a personal recommendation, or a decision to trade, is suitable for its client'.

COBS 9.2.1 (2) says that when making a personal recommendation, a firm "must obtain the necessary information regarding the client's:

(a) knowledge and experience in the investment field relevant to the specific type of designated investment or service;
(b) financial situation; and
(c) investment objectives;
so as to enable the firm to make the recommendation, or take the decision, which is suitable for him."

COBS 9.2.2 provides:

(1) A firm must obtain from the client such information as is necessary for the firm to understand the essential facts about him and have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or entered into in the course of managing:

(a) meets his investment objectives;

(b) is such that he is able financially to bear any related investment risks consistent with his investment objectives; and

(c) is such that he has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.

(2) The information regarding the investment objectives of a client must include, where relevant, information on the length of time for which he wishes to hold the investment, his preferences regarding risk taking, his risk profile, and the purposes of the investment.

(3) The information regarding the financial situation of a client must include, where relevant, information on the source and extent of his regular income, his assets, including liquid assets, investments and real property, and his regular financial commitments.

I am also mindful of the general legal position including: the law relating to causation, foreseeability and remoteness of losses.

was PI entitled to rely on their 'limited retainer'?

Pi has said it provided a limited advice service in accordance with Mr W's instructions. Mr W had specifically asked for them to recommend a SIPP product and he told them he didn't require investment advice for 50% of his pension. Pi says they didn't provide advice on the switch from Mr W's existing pensions to the SIPP or where 50% of it would be invested.

The issue to determine is whether Pi was entitled to restrict their advice to the recommendation of the SIPP product and a DFM for half of Mr W's investments only. Having considered this carefully I don't think it was fair and reasonable for them to do so.

The purpose of Pi's regulatory duties under FSMA (and COBS) is to provide consumer protection taking into account the differing risks involved in different kinds of investments, the differing degrees of experience and expertise consumers have and the needs consumers may have for the timely provision of information and advice that is accurate and fit for purpose (Section 1B FSMA).

When recommending the SIPP, Pi needed to have a reasonable basis for believing that their recommendation would meet Mr W's objectives and that he was able to bear *any related investment risks.* Mr W's recorded objective for transferring to the SIPP was the access to a wider range of investments through a SIPP and DFMs.

I consider the risks of Mr W transferring his existing pensions and the risks of his intended investments through the SIPP with these monies were related to the establishment of the SIPP itself. Applying COBS 9.2.2, I'm satisfied Pi couldn't simply ignore the context of why Mr W wanted a recommendation for a SIPP and what Mr W was intending to do once the SIPP was established. I consider that in order to advise on the merits of setting up a specific SIPP product, Pi needed to have regard to Mr W's wider circumstances including how his funds were currently invested and what the intended investment strategy would be. Assessing the suitability of a SIPP in isolation without considering the whole transaction is not reasonably possible.

The FSA published an alert in 2013 when they became concerned that regulated financial advisers were misinterpreting the rules. The alert focussed on unregulated investments which were introduced by unregulated introducers as these held particular risks for customers, however I consider the principles here also still apply where regulated investments are concerned. The alert said:

'It has been brought to the FSA's attention that some financial advisers are giving advice to customers on pension transfers ***or pension switches*** *[my emphasis] without assessing the advantages and disadvantages of investments proposed to be held within the new pension..'*
'The FSA'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.'

'Financial advisers using this advice model are under the mistaken impression that this process means 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.'

'For example, where a financial adviser recommends a SIPP knowing that the customer will transfer out of a current pension arrangement to release funds to invest in an overseas property investment under a SIPP, then the suitability of the overseas property investment must form part of the advice about whether the customer should transfer into the SIPP. If, taking into account the individual circumstances of the customer, the original pension

product, including its underlying holdings, is more suitable for the customer, then the SIPP is not suitable'

It specifically referred to cases where advisers were under the false impression they could advise on the suitability of a SIPP in the abstract. In 2014 the FSA issued a further alert in which they reiterated [emphasis added]:

'*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 for the customer, then the overall advice is not suitable****.'*

*'The initial alert outlined our view that where advice is given on a product (such as a SIPP) which is intended as a wrapper or vehicle for investment in other products, provision of suitable advice generally requires consideration of the overall transaction, that is, the vehicle or wrapper and the expected underlying investments (**whether or not such investments are regulated products)**.*

*Despite the initial alert, some firms continue to operate a model where they **purportedly restrict their advice to the merits of the SIPP wrapper**.* '

The essence of the alert, in my view, was to remind advisers that they couldn't just advise on a SIPP in isolation, but that to comply with their regulatory obligations they needed to consider the consumer's wider circumstances and whether what they were intending to do was suitable and in their best interest.

Pi's obligations in this regard stem from COBS 9 and the Principles. The alert just provides clarification and sets out expectations from the regulator and good industry practice. The requirements of COBS 9.2.2 don't fall away when another regulated party is involved.
It follows that in order to give suitable advice on the SIPP Pi needed to consider Mr W's wider circumstances and the suitability of the whole transaction, i.e. the switch to a SIPP, the suitability of a particular SIPP product and provider and the underlying investment strategy.

I also point to COBS 2.1.2R which sets out clearly that a firm must not seek to exclude or restrict; or rely on any exclusion or restriction of any duty or liability it may have to the client under the regulatory system. So Pi couldn't limit their obligation in COBS 9 by taking instructions from Mr W to only consider the SIPP wrapper and 50% of his investments in isolation.

Pi and Mr W were in an advisory relationship where Pi was the expert and they had a duty to meet their regulatory obligations. As explained above COBS 9 required Pi do consider the wider suitability of Mr W's intended transactions when recommending a SIPP-whether he requested this or not. They failed to do this and therefore I consider they did not act fairly or reasonably when providing their advice to Mr W.

did Pi provide suitable advice?

COBS 9 required Pi to take reasonable steps to provide Mr W with a suitable recommendation, so I considered whether they met this requirement. As part of the advice process in recommending a suitable DFM for 50% of Mr W's pension, Pi established the client had a balanced attitude to risk. Given his limited experience and term to retirement of around 11 years, I think this is reasonable.

Mr W ended up investing over half of his pension funds in CFDs through HS. Pi has previously confirmed to this service that they agree CFDs are unsuitable for retails investors, so this isn't really in dispute.

Based on the limited evidence available it's unclear whether Pi knew at the time they gave advice that Mr W was going to invest through HS and into CFDs. However, this service has seen a number of cases which are very similar and Pi had several clients who were introduced by LP and invested through HS around the same time. Pi told us previously they had done due diligence on HS and that during those enquiries HS confirmed to them that *'at present all our SIPP clients' have a portfolio containing ETFs and CFDs.'* So if they knew Mr W was intending to invest through Horizon, they ought to have known HS's investment strategy for their SIPP clients was too high risk for Mr W.

Even if I assume Pi originally didn't know how Mr W would be investing his remaining funds, they should have found out before they gave their advice. As stated before, Pi needed to consider the transaction as a whole and without knowing what Mr W was planning to do and achieve, they couldn't reasonably conclude whether the transfer to a SIPP was suitable. Pi ought to have found out how HS intended to manage the portfolio and couldn't make a suitable recommendation without this information.

In summary, I think Pi should not have recommended a SIPP to Mr W. They should have explained that his intended investments were too high risk and that given his limited assets, he couldn't financially bear these risks with his retirement funds.

Given Mr W had no real investment experience, Pi should have also considered whether a switch to a SIPP and DFM in general was suitable. The existing pensions he had were invested in line with his attitude to risk and I can't see that there was any pressing need to change his provisions, particularly as the DFM would have also added to the charges Mr W was paying. I can't see that any proper comparison was done to see whether a SIPP or DFM could in fact provide a better outcome for Mr W than his existing pensions.

Based on the information I've seen I think it's unlikely Mr W was an experienced or knowledgeable investor. He was self-employed in a manual job and other than his pensions which were managed for him and needed not input, he didn't have any noteworthy experience as far as I can see and he took out any product in the past with advice

Pi knew that an unregulated introducer was involved and should have realised based on the information they had that Mr W wasn't an experienced investor, so the fact Mr W wanted to suddenly actively manage his investments should have been queried.

In my view Pi were in breach of the Principles and COBS when they recommended the SIPP without knowing the ultimate destination of all the funds. They didn't pay due regard to Mr R's interests and did not take reasonable steps to ensure that their personal recommendation was suitable for Mr W as per their regulatory obligations.

Therefore I do not consider that Pi's actions in their dealings with Mr W were fair or reasonable in the circumstances.

would Mr W have transferred his pension to a SIPP and invested through HS anyway?

On balance I think Mr W would have listened to Pi if they had clearly told him they wouldn't recommend a SIPP and that they considered the intended investments through HS to be unsuitable for him.

Mr W has said he was contacted by LP for a pension review who referred him to Pi. Although Mr W may have signed the initial instruction letter, I think it should be considered in the context that the transaction was initiated by LP. I'm not aware of any longstanding relationship between Mr W and LP and it seems unlikely to me that Mr W would have had plans to move his pension onto a SIPP platform, or invest in high risk propositions, such as CFDs, when he had no significant investment experience.

I think explicit advice from Pi acting as a professional firm would have carried significant weight. The consequences of the loss of the pension were of great significance to Mr W's overall financial position. Mr W didn't have the capacity to bear significant losses to his pension, which was a real possibility with the investment in the CFD account.

So I think on balance if Pi, as a regulated adviser and independent third party, had told Mr W they couldn't recommend the SIPP as the intended investments were not suitable for his circumstances, the transaction wasn't in his best interest and he couldn't afford to risk his pension in this way, I think he would have decided not to proceed.

If LP had continued to influence him, he would have faced a choice between taking the advice of the unregulated introducer or the authorised firm who he had been told by LP were the pension adviser. I'm not persuaded the evidence suggests Mr W was so strongly motivated to make the transaction that he would have decided to press ahead with it against professional expert advice. For the reasons I have given above, I'm satisfied that Mr W would more likely than not have remained with his existing pension arrangements if Pi had explained the position in full and recommended against the SIPP and investment with HS.

Fair compensation

I have found that Pi gave Mr W unsuitable advice and if it wasn't for their advice, Mr W more likely than not would not have proceeded with the switch to a SIPP and subsequent investment through HS. Having considered all the evidence and arguments, I consider it fair that Pi compensates Mr W for any losses he suffered by transferring into the SIPP and investing into high risk investments through HS.

Pi say HS, who was also a regulated firm, had their own obligations towards Mr W and it was their investment strategy that ultimately caused Mr W's losses. Pi pointed to our adjudicator's view in 2018 that HS had caused Mr W's losses by excessive trades and held them fully accountable for all his losses.

I recognise that HS also had regulatory obligations and it's likely that their actions also separately caused Mr W's loss. And I've taken into consideration that, in principle, if HS acted negligently or fraudulently, such actions might represent a break in the chain of causation.

In these particular circumstances, however, I don't think Mr W's losses were unforeseeable. Pi knew or ought to have known this was a high-risk and speculative investment product and they agreed in their submissions that they didn't consider this suitable for Mr W. So I'm satisfied the real risk of Mr W suffering substantial losses and even the risk of total loss of to his pension would or should have been foreseeable to Pi.

I accept Pi might have not foreseen the scale of the losses. However, Pi should have known of the high risks and significant losses Mr W could suffer by investing his pension funds through HS in a CFD account. And as I said above, Pi's suitable advice would have more likely than not prevented all losses.

In my view Mr W's losses flowed from Pi's failures in regard to COBS and PRIN as I have described. Pi also benefitted financially (in their role as independent financial advisors) from advising on this unsuitable transaction. I don't think Mr W's losses are too remote or that I am departing from the law.

In all the circumstances, I'm satisfied it's fair compensation that Pi compensates Mr W for the losses he suffered by transferring his pension into a SIPP and from there into high risk investments.

Mr W isn't able to claim compensation from HS or FSCS which is a scheme of last resort so there is no risk in my view of him being overcompensated.

Putting things right

In awarding fair compensation for Mr W's losses my aim is to put Mr W as close as possible to the position he would probably now be in if he had been given suitable advice by Pi. I think on balance Mr W would have remained in his existing pension plans until he took his remaining benefits in August 2019 and closed the SIPP.

What must Pi do?

To compensate Mr W fairly, Pi must:

- Compare the performance of Mr W's investment with the notional values if he had remained with the previous providers. If the actual value is greater than the notional value, no compensation is payable. If the notional value is greater than the actual value, there is a loss and compensation is payable.

- Pi should add interest as set out below:

- Mr W took his pension and closed the SIPP, so compensation should be paid to Mr W directly as a lump sum after making a notional reduction to allow for income tax that would otherwise have been paid. 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.

- If Mr W has suffered a loss, then 8% simple interest should be added to that figure to compensate him for being deprived of this money since then. The 8% should be calculated from the date he took his pension benefits on 28 August 2019 up until settlement.

  I acknowledge Pi's comments that Mr W had not reached his desired retirement age yet and that a benchmark should be used to bring losses up to date rather that 8% interest to reflect that any losses would have remained invested. However, Mr W took his remaining benefits from the SIPP in August 2019. He told us he had suffered an injury and made use of his money then. So I think in the circumstances I think it's more likely he would have used his pension funds rather than staying invested. And so I think applying interest rather than a benchmark is fair and reasonable here.

- Pay to Mr W £350 for the distress suffered when he realised he had lost significant parts of his pension.

Income tax may be payable on any interest paid. If Pi deducts income tax from the interest it should tell Mr W how much has been taken off. Pi should give Mr W a tax deduction certificate in respect of interest if Mr W asks for one, so he can reclaim the tax on interest from HM Revenue & Customs if appropriate.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
SIPP	closed	Notional value from previous providers	Date of transfer	28 August 2019	8% simple per year on any loss from the end date to the date of settlement

Actual value

This means the actual amount paid from the investment at the end date.

Notional Value

This is the value of Mr W's investment had it remained with the previous provider until the end date. Pi should request that the previous provider calculate this value.

Any withdrawal from the SIPP should be deducted from the notional value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if Pi totals all those payments and deducts that figure at the end to determine the notional value instead of deducting periodically.

If the previous provider is unable to calculate a notional value, Pi will need to determine a fair value for Mr W's investment instead, using this benchmark: FTSE UK Private Investors Income Total Return Index. The adjustments above also apply to the calculation of a fair value using the benchmark, which is then used instead of the notional value in the calculation of compensation.

Why is this remedy suitable?

I've decided on this method of compensation because:

- Mr W wanted capital growth and was willing to accept some investment risk.
- If the previous provider is unable to calculate a notional value, then I consider the measure below is appropriate.
- The FTSE UK Private Investors Income total return index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return.
- Although it is called income index, the mix and diversification provided within the index is close enough to allow me to use it as a reasonable measure of comparison given Mr W's circumstances and risk attitude.

Details of the calculations should be provided to Mr W in a clear and simple format**.**

My final decision

I uphold Mr W's complaint and require Pi Financial Ltd to calculate and pay him compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 January 2023.

Nina Walter
Ombudsman