

## **The complaint**

Mr S complained that he was given unsuitable advice to transfer his defined benefit (DB) British Steel Pension Scheme (BSPS), to a personal pension plan.

Niche Independent Financial Advisers Limited is responsible for answering this complaint and so to keep things consistent, I'll refer mainly to "Niche".

## **What happened**

In March 2016, Mr S's employer announced that it would be examining options to restructure its business, including decoupling the BSPS from the company. The consultation with members referred to possible outcomes regarding their preserved benefits, which included transferring the scheme to the Pension Protection Fund (PPF), or a new defined benefit scheme (BSPS2). Alternatively, members were informed they could transfer their benefits to a personal pension arrangement.

In May 2017, the Pension Protection Fund (PPF) made the announcement that the terms of a Regulated Apportionment Arrangement (RAA) had been agreed. That announcement said that, if risk-related qualifying conditions relating to funding and size could be satisfied, a new pension scheme sponsored by Mr S's employer would be set up – the BSPS2.

In October 2017, members of the BSPS were being sent a "Time to Choose" letter which gave them the options to either stay in BSPS and move with it to the PPF, move to BSPS2 or transfer their BSPS benefits elsewhere. The deadline to make their choices was 11 December 2017 (and was later extended to 22 December 2017).

Mr S was concerned about what the announcement by his employer meant for the security of his preserved benefits in the BSPS. He was unsure what to do and was referred to Niche which is responsible for providing the pension advice. Information gathered about his circumstances and objectives at the time of the recommendation were broadly as follows:

- Mr S was 50 years old, married and with one dependent child. He was described as being in 'normal' health and at that point he had accrued around 30 years of pension benefits with the BSPS.
- Mr and Mrs S lived in a home valued at around £210,000 with a mortgage outstanding of £80,000. The mortgage had around 11 years left to run.
- Mr S earned over £39,000 per year and Mrs S earned £26,000. After expenses they had over £1,300 per month disposable income. They had £3,500 in savings.
- The cash equivalent transfer value (CETV) of Mr S's BSPS was approximately £494,832 and the normal retirement age (NRA) was 65. Niche said Mr S wanted to retire early if possible, at the age of 55.

Niche set out its advice in a suitability letter on 6 December 2017. It advised Mr S to transfer out of the BSPS and invest the funds in a type of personal pension plan. Niche said this would allow Mr S to achieve his objectives. Mr S accepted this advice and so transferred to a

personal pension. In 2021 Mr S complained to Niche about its advice, saying he shouldn't have been advised to transfer out to a personal pension.

Mr S referred his complaint to our Service. One of our investigators looked into the complaint and said it should be upheld. In response, Niche said it hadn't done anything wrong and was acting on the financial objectives Mr S had at the time.

As the complaint couldn't be resolved informally, it's come to me for 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.

I've also taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Business ('PRIN') and the Conduct of Business Sourcebook ('COBS'). Where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

#### *The applicable rules, regulations and requirements*

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of Niche's actions here.

- *PRIN 6: A firm must pay due regard to the interests of its customers and treat them fairly.*
- *PRIN 7: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.*
- *COBS 2.1.1R: A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).*
- The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability and the provisions in COBS 19 which specifically relate to a DB pension transfer.

I have further considered that the regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6 that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, Niche should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr S's best interests.

I've used all the information we have to consider whether transferring away from the BPS to a personal pension was in Mr S's best interests.

I don't think it was, so I'm upholding his complaint.

#### *Financial viability*

Niche referred in its transfer analysis and suitability letter to 'critical yield' rates. The critical yield is essentially the average annual investment return that would be required on the transfer value - from the time of advice until retirement - to provide the same annuity benefits as the DB scheme. It is therefore part of a range of different things which help show how likely it is that a personal pension could achieve the necessary investment growth for a transfer-out to become financially viable.

However, I think it's important to say that Niche itself acknowledged, during its advice, that the critical yields required to match the benefits of Mr S's existing scheme were high. This is because in its suitability letter, of 6 December 2017, Niche said it would not recommend a transfer out on the basis of being able to exceed the critical yield rate, in a new personal pension plan. Nevertheless, Niche went onto recommend that he should transfer out anyway, but for other reasons.

However, I also want to be clear that the critical yield wasn't, in my view, realistically achievable. I also think Niche showed Mr S a lower critical yield rate – one that wasn't the most applicable to his situation. In my view, this was a significant failing by the Niche adviser and it was misleading.

Niche said, for instance, that the critical yield required to match the benefits at the age of 65 in the BPS2, was 5%. It didn't explain this very well and I can see from another document (the transfer analysis) that this figure was if he took a pension at 65 without a tax-free lump sum.

However, Niche itself said that Mr S wanted to retire at 55 and the entire recommendation to transfer out was therefore built on that premise. But for a retirement at 55 the critical yield rate was much higher – 9.97%, rather than the 5% rate quoted for a retirement at 65. As our investigator pointed out, this wasn't referred to in the suitability letter. So as well as being high, I don't think Mr S was given the information he needed to make an informed decision.

The advice was given after the regulator gave instructions in Final Guidance FG17/9 as to how businesses could calculate future 'discount rates' in loss assessments where a complaint about a past pension transfer was being upheld. Prior to October 2017 similar rates were published by the Financial Ombudsman Service on our website. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, they provide a useful indication of what growth rates would have been considered reasonably achievable for a typical investor.

The relevant discount rate closest to when the advice was given which I can refer to was published by the Financial Ombudsman Service for the period before 1 October 2017 and was 4.2% per year for 14 years to retirement (age 65), which is well below the critical yield figures I've referred to above. For an early retirement, at 55, the discount rate was only 3%. Because these discount rates are significantly below the critical yields I've referred to, this infers that reaching a growth level required to help make a transfer-out worthwhile, was highly unlikely.

I've also kept in mind that the regulator's upper projection rate at the time of the advice was 8%, the middle projection rate was 5%, and the lower projection rate was 2%. Mr S was categorised as a "cautious" attitude to risk (ATR). So, the regulator's lower rate, which was applicable here, was again well below the critical yields. The critical yield rates for a *reduced* pension under the PPF scheme were lower than the others, but Niche said Mr S wasn't interested in doing this. Everything I've therefore seen here strongly suggests Mr S would receive lower pension benefits as a result of transferring out.

In addition to all these things, I've also noted that Niche said that in order to purchase an annuity to provide all the benefits of equal value to the existing scheme at retirement at age 65, the funds required would be around £865,000 if taking a full pension and £712,000 if taking a pension and lump sum. Those costs at the age of 55 were slightly lower, but still well over £600,000. All the sums to buy an annuity with similar benefits were therefore far higher than Mr S's CETV, so I think they provide a revealing window into the value of the benefits Mr S was being advised to give up by transferring away.

Although Niche wasn't as clear as it should have been about this when advising Mr S, it did tell him it wouldn't recommend a transfer on the basis of the critical yield figures alone. And clearly, having said this in 2017, it would be very hard for it now to argue these growth rates were achievable.

Of course, these could all said to be moot points, because Niche's recommendation that he should transfer out to a personal pension plan was not predicated on the financial comparisons with the BSPS2 or PPF. Rather, Niche said Mr S had different reasons to transfer away, so I've thought about all the other considerations which might have meant a transfer was suitable for him, despite providing the overall lower benefits mentioned above.

I've considered these below.

### Flexibility and other needs

Niche recommended a transfer to a personal pension based on what it said were Mr S's wider objectives. It listed the following themes as supporting the recommendation to transfer away:

- Mr S said he'd like to retire early from the steel industry at 55.
- Niche said he'd have complete control over the funds if he transferred out, and what these were invested in. He could access the funds flexibly after 55 in a personal pension.
- There would be more flexible access to death benefits in a personal pension. He could nominate someone as a beneficiary.

So, it seems the supporting reasons that Niche recommended the transfer out to a personal pension was for the flexibility and control it offered to Mr S. I have therefore considered all these issues in turn.

### Retiring early

Niche mentioned several times in documents from the time of the advice that Mr S had said he wanted to retire early. I don't doubt that Mr S might have genuinely hoped to retire as early as 55, which is what was recorded on the 'fact-find'. But, aged 50, I've seen nothing that shows retirement was anything more than something Mr S aspired to do at that stage, as opposed to being part of a formulated plan.

Even if I were to consider that Mr S's retirement plans were more fixed - and he really did want to retire early - I think Niche should have better assessed the possibility of achieving this goal whilst being a member of the BSPS2, for example. Early retirement under the BSPS2, or indeed the PPF, would still have been an option for Mr S, although this would have meant Mr S's pension benefits would have been somewhat different due to him accessing the pension earlier and for longer. But I think this was discounted by Niche as I've seen no evidence it was realistically discussed with a view to assessing whether it was more in Mr S's best interests. The advice simply focussed on him transferring away completely.

Niche also promoted that Mr S could access more tax-free cash if he transferred to a personal pension plan. It said he'd be able to access 25% of his pension as a lump-sum and then use the remaining funds more flexibly. It's usually the case that more tax-free cash can be accessed from a personal pension when compared against a DB scheme; this is because the values and benefits of the two schemes are calculated differently. But Niche should have been telling Mr S at the time that extra tax-free lump sums being removed from a personal

pension, potentially from the age of 55, also came with consequences in that the amount left for his later retirement years would obviously decrease.

So, whilst I accept the notion of retiring early and / or accessing tax-free cash might have been appealing, this needed to be considered against the other options Mr S faced, including opting for the BSPS2.

### Flexibility

I can't see that Mr S required flexibility in retirement in the way Niche suggested. In any event, 'flexibility' was poorly defined by Niche and in my view, it done a very poor job of assessing what Mr S's income requirements in retirement would actually be. I've seen in the transfer analysis of 6 December 2017 that Niche said that Mr S's estimated annual pension upon his NRA was estimated as £26,315 per year, or £16,406 per year at the age of 55, both in BSPS2. As a DB pension this would have been guaranteed and index linked. So, I haven't seen anything to persuade me that Mr S wouldn't have been able to meet his likely retirement income needs by accessing his DB pension instead of transferring out to a personal pension plan.

I've seen nothing that shows Mr S had a need for flexibility in his income going forward. In fact, I think the objectives listed by Niche in the context of 'flexibility' are no more than 'stock' ideals and probably unrelated to Mr S's situation. Under the auspices of a DB scheme and their other resources, I think Mr and Mrs S could hope to enjoy a very satisfactory retirement from a financial perspective. So, whenever Mr S chose to draw his pension benefits, I think he and Mrs S were in a good position.

For instance, I don't think Niche took enough account of his 'second' pension – his employer's new defined contribution (DC) scheme. Mr S and his employer were making significant contributions to this of 6% and 10% respectively and there was already £3,000 in the fund. So, even a few years' worth of being in this pension would have mattered - there could have been a reasonable amount in this DC pension to complement his deferred DB scheme (in BSPS2). Even if retiring at 55, there would likely be well in excess of £35,000 in this pension and if he'd worked toward his NRA, there could easily have been substantially more than this.

So by retirement – whenever it came - on one hand Mr S could have had a long-standing DB pension with all the guarantees and benefits this type of scheme brought. And on the other hand, he'd have built up a reasonable DC pension over a few years, which, if he later found he did require flexibility, this pension could have helped provide this.

I have therefore considered what Niche said about retiring early and the potential flexibility brought about by transferring to a personal plan: it said this would include how funds were invested, the level of income he could withdraw from it and a greater ability to flexibly use the tax-free lump sum element.

However, Mr S was already able to retire early from the BSPS2 if he wanted to which would have been in accordance with his aspirations. Niche also implied that Mr S would be able to have complete control over the pension if he transferred out. But I've seen nothing which shows Mr S had either the desire or capacity to exercise personal control over his pension. The evidence here is that Mr S's previous exposure to investing was extremely limited and he wanted no risk.

So, I think Mr S's circumstances here were much more aligned to him transferring to BSPS2 and retiring from that when he felt he was ready to do so. Because he also had a smaller

'second' DC pension, and Mrs S also evidently had a pension of her own, this supported that strategy in my view.

I therefore think the suitable option was for Mr S to access his DB pension in the way it was originally intended.

### Death benefits

Niche says that death benefits were discussed at the time and the personal pension would better enable the retention of the value of the funds if Mr S died.

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 personal pension was probably made to look like an attractive feature to Mr S. But whilst I appreciate death benefits are important to consumers, and Mr S might have thought it was a good idea to transfer the BPS to a personal pension because of this, the priority here was to advise him about what was best for his retirement provisions. A pension is primarily designed to provide income in retirement. And I don't think Niche explored to what extent Mr S was prepared to accept a lower retirement income in exchange for higher death benefits.

Mr S was only 50 years old and apparently in good health. But Niche made repeated references to Mr S's health being an issue supporting the transfer-out advice. Niche said his parents had died young and Mr S feared he might not live to his normal life expectancy. In my view, it portrayed Mr S as someone who's health was so bad that planning for an early death was the prudent thing to do in his case.

However, I've seen absolutely no evidence to support this stance. In my view, Niche had no basis for raising poor life expectancy as a genuine reason to transfer to a personal pension.

These types of issues, in a pension context, are important: life expectancy plays an important part in pension planning. However, in this case there was no evidence to support the view that Mr S might not reach a reasonable age. As I've said, the information recorded at the time says his health was normal and there was no suggestion whatsoever to imply he ought to adjust his retirement planning because of his health. Mr S's parents had passed away at relatively young ages, but from what I can see, there were specific illnesses involved and there was nothing to suggest these were, for example, hereditary conditions. I think the Niche adviser fell a long way short of what I'd expect in a case like this – they took a comment from Mr S, failed to be inquisitive about it, and used it out of context to support a recommendation to irreversibly transfer away from a DB scheme.

Mr S was married, so I think the likely death benefits attached to the DB scheme were substantially underplayed here. The spouse's pension provided by the BPS2 would have been very useful to Mrs S if Mr S predeceased her. I don't think Niche made the value of this benefit clear enough. This was guaranteed and it escalated – it was not dependent on investment performance, whereas the sum remaining on death in a personal pension was. In any event, there may not have been a large sum left anyway in a personal pension plan upon Mr S's passing, particularly if he lived a long life. Niche should therefore not have encouraged Mr S to prioritise the potential for higher death benefits through a personal pension over his security in retirement.

It also doesn't appear that Niche took into account the fact that Mr S could have nominated Mrs S (or anyone else) as the beneficiary of any funds remaining in his DC scheme when he eventually retired. As I've said, these could have reached a reasonable sum due to the contributions being added. Niche said he'd be able to nominate other beneficiaries in a

personal plan, but there's nothing explaining why Mr S wouldn't wish to nominate his own wife, already covered by the BSPS2 scheme, in the event of his death.

I also can't see whether, or the extent to which, life insurance was discussed in this case. But at 50 years old, a modest 'term' life insurance policy may have been an affordable product if Mr S really did want to leave a legacy for either his wife or adult children. So, to this end, Mr S already had plenty of options ensuring part of his pension wouldn't 'die with him'.

Overall, I don't think different death benefits available through a transfer to a personal pension justified the likely decrease of retirement benefits for Mr S. I think this objective was no more than a generic comment and not meaningful to Mr S's situation.

### Control or concerns over financial stability of the DB scheme

It's clear that Mr S, like many employees of his company, was concerned about his pension. His employer had recently made the announcement about its plans for the scheme and Niche said he lacked trust in the company. He'd heard negative things about the PPF and Niche said he could have more control over his pension fund.

So, it's quite possible that Mr S was also leaning towards the decision to transfer because of the concerns he had about his employer and a negative perception of the PPF. However, it was Niche's obligation to give Mr S an objective picture and recommend what was in his best interests.

By the point of the advice being delivered details of BSPS2 were known and it seemed likely it was going ahead. So, I think this should have alleviated any concerns about the scheme moving to the PPF.

However, even if there was a chance the BSPS2 wouldn't go ahead, I think that Niche should have reassured Mr S that the scheme moving to the PPF wasn't as concerning as he thought. The income available to Mr S through the PPF would have still probably provided a significant portion of the income he would have needed at retirement, and he was still unlikely to be able to exceed this by transferring out, given his ATR and the effect of pension charges and fees. And although the increases in payment in the PPF were lower, the income was still guaranteed and was not subject to any investment risk. So, I don't think that these concerns should have led to Niche's recommendation to Mr S to transfer out of the DB scheme altogether.

### Summary

I don't think the advice given to Mr S was suitable.

He was giving up a guaranteed, risk-free and increasing income within the BSPS2. By transferring to a personal pension, the evidence shows Mr S was likely to obtain lower retirement benefits. And I don't think there were any other particular reasons which would justify the transfer and outweigh this. I think Niche ought to have advised him against transferring out of his DB scheme for this reason, particularly as it meant he'd be worse off in retirement.

So, I don't think it was in Mr S's best interests for him to transfer his DB scheme to a personal pension when he had the opportunity of opting into the BSPS2.

I think it was clear to all parties that the BSPS2 was likely to be going ahead. Mr S still had a few more years before he intended to retire. So, I don't think that it would have been in his

interest to accept the reduction in benefits he would have faced by the scheme entering the PPF, as it wouldn't be offset by the more favourable reduction for very early retirement. By opting into the BSPS2, Mr S would have retained the ability to transfer out of the scheme nearer to his retirement age if he needed to. Also, Mr S was married, and his wife's pension would be set at 50% of his pension at the date of death, and this would be calculated as if no lump sum was taken at retirement (if Mr S chose to do so). The annual indexation of his pension when in payment was also more advantageous under the BSPS2.

On this basis, I also think Niche should have advised Mr S to opt into the BSPS2.

I have considered, given the circumstances of the time, whether Mr S would have transferred to a personal pension in any event. I accept that Niche disclosed some of the risks of transferring to Mr S, and provided him with a certain amount of information. But ultimately it advised Mr S to transfer out, and I think Mr S relied on that advice.

I'm not persuaded that Mr S would have insisted on transferring out of the DB scheme, against Niche's advice. I say this because Mr S was an inexperienced investor and this pension accounted for most of his retirement provision at the time. So, if Niche had provided him with clear advice against transferring out of the DB scheme, explaining why it wasn't in his best interests, I think he would have accepted that advice.

I'm also not persuaded that Mr S's concerns about the PPF were so great that he would have insisted on transferring his pension, knowing that a professional adviser, whose expertise he had sought out and was paying for, didn't think it was suitable for him or in his best interests. So if Niche had explained Mr S was also unlikely to exceed the benefits available to him through the PPF if he transferred out, and that he could meet his income needs in retirement without risking his guaranteed pension, I think that would have carried significant weight.

In light of the above, I think Niche should compensate Mr S for the unsuitable advice, using the regulator's defined benefits pension transfer redress methodology.

### **Putting things right**

A fair and reasonable outcome would be for the business to put Mr S, as far as possible, into the position he would now be in but for Niche's unsuitable advice. I consider Mr S would have most likely opted to join the BSPS2, rather than transfer to the personal pension if he'd been given suitable advice. So, Niche should use the benefits offered by BSPS2 for comparison purposes.

On 2 August 2022, the FCA launched a consultation on new DB transfer redress guidance and set out its proposals in a consultation document - [CP22/15-calculating redress for non-compliant pension transfer advice](#).

In this consultation, the FCA said that it considers that the current redress methodology in [Finalised Guidance \(FG\) 17/9](#) (Guidance for firms on how to calculate redress for unsuitable defined benefit pension transfers) remains appropriate and fundamental changes are not necessary. However, its review has identified some areas where the FCA considers it could improve or clarify the methodology to ensure it continues to provide appropriate redress.

A policy statement was published on 28 November 2022 which set out the new rules and guidance-<https://www.fca.org.uk/publication/policy/ps22-13.pdf>. The new rules will come into effect on 1 April 2023.



The FCA has said that it expects firms to continue to calculate and offer compensation to their customers using the existing guidance in FG 17/9 for the time being. But until changes take effect firms should give customers the option of waiting for their compensation to be calculated in line with the new rules and guidance.

We've previously asked Mr S several times whether he preferred any redress to be calculated now, in line with current guidance, or wait for any new guidance/rules to be published. His representative didn't make a choice when we asked, so as set out previously I've assumed in this case he doesn't want to wait for the new guidance to come into effect.

I am therefore satisfied that a calculation in line with FG17/9 remains appropriate and, if a loss is identified, will provide fair redress for Mr S.

Compensation should be based on his normal retirement age of 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 S's acceptance of the decision.

Niche may wish to contact the Department for Work and Pensions (DWP) to obtain Mr S'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 S's SERPS/S2P entitlement.

If the redress calculation demonstrates a loss, the compensation should if possible be paid into Mr S'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 S 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 S within 90 days of the date Niche 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 Niche to pay Mr S.

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.

If the complaint hasn't been settled in full and final settlement by the time any new guidance or rules come into effect, I'd expect Niche to carry out a calculation in line with the updated rules and/or guidance in any event.

I have also considered the impact on Mr S of the unsuitable advice and transfer. Our investigator recommended that a sum of £400 should be paid to Mr S by Niche for what he

referred to as the trouble and upset caused by this unsuitable transfer. I've taken into consideration Mr S's age, circumstances and the substantial amount he'd built up in his pension to that date; Mr S had built up his pension over a long time. Also, by retirement this DB pension would still have been a significant part of his overall pension entitlement so I think the thought of losing benefits would have negatively impacted Mr S. So, I agree that Niche should also pay Mr S £400 for the distress and inconvenience caused by the unsuitable advice which has likely had an impact on his retirement planning

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 business pays the balance.

### **My final decision**

Determination and money award: I am upholding this complaint and I now direct Niche Independent Financial Advisers Limited to pay Mr S the compensation amount as set out in the steps above, up to a maximum of £160,000.

Where the compensation amount does not exceed £160,000, I would additionally require Niche Independent Financial Advisers Limited to pay Mr S any interest on that amount in full, as set out above.

Where the compensation amount already exceeds £160,000, I would only require Niche Independent Financial Advisers Limited to pay Mr S any interest as set out above on the sum of £160,000.

Recommendation: If the compensation amount exceeds £160,000, I also recommend that Niche Independent Financial Advisers Limited pays Mr S the balance. I would additionally recommend any interest calculated as set out above on this balance to be paid to Mr S.

If Mr S accepts my final decision, the money award becomes binding on Niche Independent Financial Advisers Limited.

My recommendation would not be binding. Further, it's unlikely that Mr S can accept my decision and go to court to ask for the balance. Mr S may want to consider getting independent legal advice before deciding whether to accept any final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 January 2023.

Michael Campbell  
**Ombudsman**