

The complaint

Ms W complains about the advice given by JLT Wealth Management Limited ('JLT') when she transferred the benefits from her defined-benefit ('DB') occupational pension scheme ('OPS') to a personal pension. She says the advice was unsuitable for her and believes this has caused a financial loss.

What happened

Ms W was a deferred member of an OPS in which she'd accrued benefits from a previous employer. In 2010 her previous employer was exploring options regarding the OPS – in particular the DB section of the plan which it hoped to reduce the size of as this was in a funding deficit. One of the things it did to look to achieve this was to make a limited time offer to some members of an enhanced transfer value – meaning it'd offer an additional payment, on top of the transfer value of their benefits, if they were interested in transferring. As part of the offer Ms W's former employer would meet the cost of independent advice to members about a potential transfer. This advice was provided by JLT.

The cash equivalent transfer value ('CETV') of Ms W's benefits within the DB scheme was £7,705. Her employer offered an enhanced CETV of £8,871.45 if she was interested in transferring her benefits. Alternatively, Ms W could still opt to transfer but move the original transfer value and take part of the enhancement, £1,034.09, as cash. Or she could remain a deferred member of the DB scheme.

Ms W agreed to receive advice from JLT. On 25 April 2010 she completed and signed a fact-find - providing JLT with information about her circumstances and objectives. This said she was 44, employed, in good health and single with no dependents. It was noted that she owned her own home, with approximately £90,000 in equity. And Ms W indicated she intended to potentially downsize to help fund her retirement.

In addition to the DB scheme benefits being considered, Ms W recorded that she held benefits in two other pensions. A personal pension which was worth approximately £11,000 with no contributions being made towards it. And a group personal pension, set up by her employer, worth just under £1,400 with regular contribution of £40 per month being made.

It was noted that Ms W expected to retire at age 65 and was unlikely to take pension benefits prior to this. The fact-find also said that she expected to need an income of £3,000 per year in retirement. In terms of her priorities when it came to a pension arrangement, Ms W indicated that death benefits and moving to a pension under her control were not important to her. But the ability to take tax-free cash ('TFC') at retirement and a pension that increased in retirement to provide some protection against inflation were of interest to her.

Ms W noted that she was interested in taking the enhancement offered by her former employer as a cash sum, noting in her own words that it was *"only a small amount"*.

There were also questions in the fact-find about her attitude to risk, with pre-prepared answers for her to select. Ms W ticked to say that she considered her attitude to risk to be 'cautious'.

JLT instructed a transfer value analysis ('TVAS') which was completed on 26 May 2010. This included the calculation of the level of growth required of a new pension each year to allow Ms W to be able to purchase pension benefits at retirement equivalent to those that she was giving up (the 'critical yield'). To match the benefits she'd be due at 65 under the DB scheme, assuming she took TFC and a reduced pension, the critical yield was 6.7% - if she invested the entire CETV, including the enhancement. If she took the enhancement as cash and invested the original CETV, the critical yield was 7.4%.

On 1 June 2010, JLT sent Ms W a report outlining its recommendation (often referred to as a 'suitability report'). This said that its advice was limited to whether to transfer her benefits from her DB scheme or remain a member. And it said its advice was that Ms W should not transfer. This was because JLT thought the critical yield was above the limits that it could "*accept as a reasonable target for a cautious risk investment*". It also said transferring may provide a lower level of TFC at retirement and Ms W had expressed a preference to remain in the plan.

JLT acknowledged though that its recommendation did not meet Ms W's preference for a cash sum to be available at that time. It also made the point that the enhancement to the CETV was only available until 30 June 2010.

JLT said it would contact Ms W to discuss this recommendation. It also included a pre-printed acknowledgment slip for her to confirm she'd read the report and indicate her choice – whether to accept the advice and remain in the DB scheme or to proceed with a transfer despite the recommendation made. The suitability report also mentioned that if Ms W decided to proceed against JLT's advice, she would not be able to re-join the DB scheme at a later date.

Ms W has said she did not speak to JLT – either in person or on the phone – at all during the advice process. And that no follow up contact took place. Ms W did though sign the acknowledgement slip on 11 June 2010 and she returned it to JLT. She selected the option to proceed against the advice given, noting in her own words "*I would like the cash payment and my [DB] pension transferred into my new employers pension scheme*".

JLT wrote to Ms W again on 18 June 2010. It acknowledged receipt of her preference to go against its advice but reiterated it didn't recommend transferring. It said it would though treat her as an 'insistent client'. JLT went on to recommend a fund with a specific pension provider for Ms W to transfer her pension benefits to – as she wanted to proceed. It noted that this was the scheme it had researched and determined suitable to recommend as a default provider to members of her DB scheme looking to transfer.

On 23 June 2010 Ms W signed and returned a further pre-printed acknowledgment slip, which JLT provided to her. This had set out three options - remaining in the DB scheme, transferring to the pension fund that JLT had now recommended, or transferring her benefits to another pension if she chose to. Ms W selected the option to transfer to a different provided than JLT recommended – a she wanted to transfer the benefits into her group personal pension.

JLT wrote to Ms W again on 15 July 2010, acknowledging her instruction. The CETV of £7,705 was subsequently transferred to Ms W's group personal pension. And the enhancement paid to her as a cash sum.

Ms W complained to JLT in 2021 that the transfer was unsuitable as it had resulted in her pension being in a non-guaranteed fund that was too high risk. She said she was an inexperienced investor and hadn't understood the risks of the recommendation. And if she'd been made properly aware of the implications of transferring, she says she would not have

done so.

JLT didn't uphold the complaint. It said it had advised Ms W not to transfer and she had proceeded against its recommendation as she indicated she wanted to take the enhancement as cash. It also said it wasn't involved in the investment decisions after the transfer – noting again that the benefits were transferred to a different scheme than it had recommended.

Ms W asked our service to consider the complaint. She said she'd been happy in the DB scheme and was encouraged by financial gain to transfer. She said that she'd had no direct contact with JLT and all correspondence had been by post. She again said JLT had not made the implications of the transfer clear and had used jargon that she didn't understand. She said if she'd known how valuable the guaranteed pension was, she wouldn't have transferred. She also felt it was unfair that JLT had rejected her complaint as she was aware of former colleagues in a similar position who had made successful claims.

One of our Investigator's considered the complaint. She thought it should be upheld and that JLT should compensate Ms W for any loss the DB transfer had led to. In summary, she didn't think Ms W truly was an insistent client. Although JLT had said it didn't recommend transferring, the Investigator didn't think the reasons for this were as clear as they should've been or that Ms W was in a position to make an informed decision. She also thought the reasons were undermined by some of the other things JLT recorded. And she didn't think the process followed – giving Ms W the option to immediately disregard the advice – was balanced or fair. And, if more appropriate advice had been given, she didn't think Ms W would've transferred.

JLT disagreed. It said that it felt it had given a clear recommendation, at several different stages, against transferring – so to say the advice it gave was unsuitable is incorrect. It also did not agree that the process it followed was unreasonable and said it should not be penalised for facilitating a client's instruction to ignore its recommendation. In regard to some of the reasons that the Investigator said that a transfer was not suitable, JLT said that it had been clear its advice was only about whether to remain in the DB scheme or transfer and it wasn't carrying out a full financial review. So, it disagreed that it should've done more to understand why Ms W wanted to take the cash enhancement and what alternative options might've been available. JLT also said it was under no obligation to consider the 'discount rate' in comparison to the critical yield, so said this should not form part of our assessment.

The investigator wasn't persuaded to change their opinion, so the complaint was referred 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.

I've 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'). And 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 JLT'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. Including that JLT had to take reasonable steps to make sure its recommendation was suitable for Ms W. And that it had to obtain enough information from Ms W to ensure its recommendation met her objectives, that she could bear the related investment risks consistent with these objectives and that she had the necessary experience and knowledge to understand the risks involved in the transaction.

And the provisions in COBS 19 which specifically relate to a DB pension transfer. These include, but are not limited to:

COBS 19.1.2R

"A firm must:

(1) compare the benefits likely (on reasonable assumptions) to be paid under a defined benefits pension scheme with the benefits afforded by a personal pension scheme or stakeholder pension scheme, before it advises a retail client to transfer out of a defined benefits pension scheme;

(2) ensure that that comparison includes enough information for the client to be able to make an informed decision;

(3) give the client a copy of the comparison, drawing the client's attention to the factors that do and do not support the firm's advice, no later than when the key features document is provided; and

(4) take reasonable steps to ensure that the client understands the firm's comparison and its advice."

And COBS 19.1.6G

"When advising a retail client who is, or is eligible to be, a member of a defined benefits occupational pension scheme whether to transfer or opt-out, a firm should start by assuming that a transfer or opt-out will not be suitable. A firm should only then consider a transfer or opt-out to be suitable if it can clearly demonstrate, on contemporary evidence, that the transfer or opt-out is in the client's best interests."

JLT has said it was clear that the service it was providing to Ms W was just in regard to whether to remain a member of the DB scheme or transfer her benefits. So, it didn't undertake a full financial review and says the comments made by our Investigator, about it not having asked why Ms W wanted access to a cash sum at the time of the advice and whether there were any alternatives, were not relevant. But I don't agree.

JLT was giving advice on whether to transfer benefits from a DB scheme to another arrangement. So, all of the rules I've referenced apply. And in short, JLT needed to consider Ms W's specific circumstances and objectives – which I think reasonably include why she was thinking of transferring. It needed to assess the options available and look at what was in her best interests – which I think would extend to what alternative ways of meeting her

objectives were available. It needed to provide a comparison of what the situation would be if she opted to transfer her pension from her OPS and what it would be if she didn't, making clear the differences and risks. And it needed to make sure that Ms W understood all of this information so that she could make an informed decision. All while ensuring it acted honestly, fairly and professionally.

Having considered all of this and the evidence in this case, I've decided to uphold the complaint for largely the same reasons given by the investigator.

The advice

JLT says the advice it gave was suitable – as it recommended that Ms W not transfer her benefits away from her DB scheme.

I agree that a transfer was not in Ms W's best interests. The DB scheme would provide a guaranteed escalating pension, whereas by transferring, her funds would be exposed to investment risk. Ms W noted she was a cautious investor, who wanted to minimise risk – which a transfer didn't achieve. In noting her objectives in the fact-find document Ms W said that she wasn't concerned about having control over this pension fund. So, she didn't need to transfer for this reason. Ms W said she was interested in accessing tax free cash when she retired. But the DB scheme allowed her to take tax free cash on retirement. Ms W said she intended to retire at age 65 – which was the normal retirement age of the DB scheme. And she said she didn't anticipate taking pension benefits prior to this. So, Ms W didn't require the ability to access her benefits flexibly and in any event the DB scheme would potentially have allowed her to take her benefits earlier than age 65 if her circumstances had changed. Ms W also noted that she was interested in an escalating pension income to provide some protection against inflation – which again the DB scheme provided.

Ms W said that she expected to need an income of £3,000 per year from her pensions. The guaranteed pension the DB scheme would've provided fell short of this amount. But it was not Ms W's only retirement provision. And it did guarantee that a portion of her needs would be met. More importantly though, I don't think Ms W had a realistic prospect of improving on the benefits the DB scheme would provide at retirement.

As I've noted the critical yield to match the benefits she'd have been entitled to at age 65 under the DB scheme was calculated to be 6.7% if she invested the entire enhanced CETV. Or, 7.4% if she only invested the existing CETV and took the enhancement as cash.

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. JLT says that referring to the discount rate was not required by the regulator so has suggested our Service is wrong to take this into account. But I think it is a reasonable additional consideration when seeking to determine what level of growth was reasonably achievable at the time of the advice.

Under COBS 19.1.2 the regulator required businesses to compare the benefits likely to be paid under a DB scheme with those payable under a personal pension by using reasonable assumptions. The discount rate would be considered a reasonable assumption of what returns could be expected. And businesses were free to refer to it. So, whilst I agree 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 for a typical investor.

Ms W was 44 at the time of the advice and intended to retire at 65. The discount rate at that time for 20 years to retirement, as would be the case if she retired at 65, was 6.7%. And for

further comparison, the regulator's upper projection rate at the time was 9%, the middle projection rate 7%, and the lower projection rate 5%.

Taking this into account, along with the composition of assets in the discount rate, Ms W's cautious attitude to risk and also the term to retirement I don't think Ms W was likely to improve on the benefits she was already entitled to under the DB scheme. While the critical yield for investing the entire enhanced CETV was equivalent to the discount rate, her cautious attitude to risk was likely to mean that achieving that level of return consistently was more difficult. And Ms W had already indicated she didn't intend to invest the enhanced CETV. And I think there would be little point in Ms W giving up the guarantees available to her through her DB scheme, and taking on significant additional risk, only to achieve, at best, the same level of benefits outside the scheme.

So, I agree that JLT was correct to recommend that Ms W not transfer her benefits. But, while I think the overall recommendation was suitable, I don't think the information Ms W was provided was clear enough for her to fully understand the risks involved, what she was giving up or to make an informed decision. Ms W has said that she didn't have a conversation with JLT at any stage – and I haven't seen anything to dispute this. She also says she feels it just posted her "*pension percentage jargon*". And I'm inclined to agree that the information JLT provided didn't go far enough to clearly explain everything Ms W ought reasonably to have been made aware of.

Again, it is true that the suitability report said that JLT didn't recommend that Ms W transfer. And the report included the critical yields I've talked about – in percentage terms. And the "critical yield threshold per annum" JLT said it would recommend given Ms W's cautious attitude to risk. Which was again given as a percentage. And it broadly summarises that this was not considered achievable. But at no stage during the suitability report was it stated, in clear monetary terms, how much the DB scheme would've provided as an annual pension or the TFC that would've been available. Or how much Ms W might receive from a personal pension by transferring – particularly if the critical yields were not achieved. And I think this was important information that JLT needed to make sure Ms W understood. This information was available to JLT – as it was noted in the TVAS it instructed.

The suitability report referred to the TVAS being provided to Ms W. But the TVAS was a detailed report, encompassing a significant amount of information, sometimes technical, about assumptions and several different scenarios. And from the information I've seen, I don't think Ms W would've necessarily understood all of this. So, I don't think it is reasonable to say that she should've understood the value of her benefits from the TVAS report alone.

The sole reason that Ms W seems to have been considering a transfer – noted in the fact find and the suitability report – appears to be receiving the enhancement as cash. But there was no investigation by JLT into why Ms W wanted to take this sum. Nothing was recorded about what it was needed for, whether it was truly needed or what alternative – other than making an irreversible change to her retirement provisions, which JLT seems to agree was not in her best interests – was available to achieve this. And I think this should've formed part of the reasoning for JLT's advice – to give Ms W a full understanding of the choice being put to her.

It seems to be rather that Ms W thought that a sum was available which she might as well take because of there being little consequence. I say this because, in the fact-find, Ms W indicated she was interested in taking the enhancement as cash because she thought it was a small sum. But I think her saying this should've meant that JLT gave her context in relation to the value of the enhancement in comparison to what she was giving up. I think it needed to make sure she understood this, particularly as this hinted at her thought process prior to the advice.

Ms W may've considered the enhancement, and even the CETV, small. But I think it was easy for her to think this, and that transferring wouldn't make a big difference to her, without a comparison to the value of her retirement benefits being provided – which were guaranteed to be paid for the remainder of her life, at an escalating rate. Or some explanation that, over the term she could reasonably expect to receive these benefits, they were of significantly greater value. It is true that the suitability report said that she would potentially receive a lower pension. But without saying how much lower this was likely to be, Ms W wasn't, in my view, given sufficient context to make a decision.

JLT has noted that Ms W signed an acknowledgment slip saying she'd read and understood the transfer report. But I'm satisfied that Ms W was an inexperienced investor and I don't think the information she was provided was clear enough. And I've seen no evidence that JLT actually spoke to Ms W during the advice process. So, I don't think the completion of this declaration is enough to say that JLT took reasonable steps to ensure Ms W understood the recommendation being made.

As a result, while I agree that transferring was not suitable, I don't think the advice and information given by JLT was clear enough for Ms W to make an informed decision about transferring.

Insistent client

JLT says it treated Ms W as an insistent client after she decided to act differently than advised and that it shouldn't be penalised for facilitating Ms W's instruction. But I'm not sure Ms W truly was an insistent client.

As I've already summarised, I don't think Ms W was provided with all of the information she needed in order to make an informed decision about the advice. And without that information I also don't think she was in an informed position to decide whether she wanted to be an insistent client – as she didn't truly understand the consequences of this.

I think the suitability report also unnecessarily cast some doubt on the recommendation it was making. It made the point of saying that not transferring would mean Ms W's preference for a cash sum now would not be met. And it said that Ms W "*may feel that it is more important to have the cash now rather than in the future*". But again, there'd been no attempt to understand why Ms W was even interested in taking a sum now, other than the fact she could, and whether she needed it. The report also made a point of saying the enhancement would only be available for a month – giving the impression of a time pressure.

And then attached to the report was an acknowledgement form that JLT asked Ms W to complete. Rather than just acknowledge receipt of the report though, this presented her two options – to accept the recommendation or to transfer despite the recommendation. And I don't understand why options were presented to Ms W if JLT didn't think transferring was suitable.

Ms W had expressed a preference to take the enhancement as cash in the fact find. But JLT's role was to provide advice on what was in her best interests - not to facilitate what she might've thought she wanted. There was no indication in the information that I've seen to suggest that Ms W had already thought about disregarding the advice she was provided before the suitability report was issued. She was an inexperienced investor, seeking financial advice. The option to disregard that advice being presented to her, out of the blue, was likely the first time she'd even thought she could disregard the advice. And the only purpose I think including this served was to prompt her to consider doing so. Which I don't think was in her best interests. And I'm not sure, without this prompting by JLT, that she'd have insisted on transferring.

A similar option seems to have been presented to Ms W when JLT recommended a pension provider to her – to disregard this advice. But again, I don't see that giving the option of disregarding the recommendation being made was necessary or in Ms W's best interests.

So overall, I think JLT made it altogether too easy for Ms W to agree to being an 'insistent client' rather than allowing her time to think about the advice not to go ahead with the transfer.

Would Ms W have acted differently?

While I think there were failings in the advice given and the process used by JLT, I have to consider whether Ms W would've gone with a transfer ahead anyway – if clearer advice had been given and she hadn't been prompted to consider acting on an insistent client basis.

I've thought about this carefully. It's clear that the ability to access the enhancement as a cash sum played a part in Ms W's decision. And I've thought about whether she'd have always sought to access this money. She has told us that she was encouraged by this financial gain to transfer. But she has also said she was happy at the time with her benefits being in the DB scheme and didn't instigate the advice process – which seems to be correct based on how I understand advice was provided to her and other members of the DB scheme. She also noted at the time that the enhancement was just a small amount. And I've seen nothing to suggest there was an urgent need for this sum or that she couldn't have obtained a similar sum through other means – such as a loan – had it actually been needed. So, I don't think her desire to access this amount was so great that she'd have always sought to do so – particularly if she'd better understood the value of the benefits she was giving up.

I'm conscious that, not only did Ms W decide to proceed with the transfer, after JLT recommended she not, but she also took a different action in terms of where she transferred to than it recommended. So, she acted against its advice twice. But I don't think the latter decision – to move her pension into the group personal pension she was already a member of – means she would always have transferred her pension benefits. I think this was instead simply a more convenient choice for her – as it consolidated all of her pensions into one place – after she'd already opted to proceed with a transfer, due to JLT prompting her to consider doing so.

Overall, as an inexperienced investor, had Ms W been provided with more appropriate and robust advice around why the transfer was not suitable, I don't think she'd have gone ahead. I know JLT maintains that it said the transfer was against its recommendation – which overall was in my view correct. But I think the process JLT used directed Ms W, unnecessarily, to the 'insistent client' route without having given her sufficient information to make an informed decision about this. And I think that swayed her to make a decision – solely based on accessing the enhancement – without fully understanding what she was giving up by doing so. And if JLT had provided clearer information and reasoning, so that she fully understood the long-term implications involved in transferring her OPS I think she would have acted differently and retained her deferred benefits. As a result, I think Ms W's complaint should be upheld and that JLT should compensate her, 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 Ms W, as far as possible, into the position she would now be in but for its failings. I consider Ms W would have most likely remained in her DB scheme if fair, clear and complete advice had been given.

On 2 August 2022, the FCA launched a consultation on new DB transfer redress guidance and set out its proposals in a consultation document - <https://www.fca.org.uk/publication/consultation/cp22-15.pdf>

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 Ms W whether she preferred any redress to be calculated now in line with current guidance or to wait for the new guidance / rules to come into effect. She has chosen not to wait for any new guidance to come into effect to settle her complaint.

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

JLT 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, I understand Ms W has not yet retired, and has no plans to do so at present. So, compensation should be based on her 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 Ms W's acceptance of the decision.

JLT may wish to contact the Department for Work and Pensions (DWP) to obtain Ms W'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 Ms W's SERPS/S2P entitlement.

If the redress calculation demonstrates a loss, the compensation should if possible be paid into Ms W'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 Ms W 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 her 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 Ms W within 90 days of the date JLT receives notification of her 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 JLT to pay Ms W.

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 JLT to carry out a calculation in line with the updated rules and/or guidance in any event.

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 uphold this complaint and require JLT Wealth Management Limited to pay Ms W 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 JLT Wealth Management Limited to pay Ms W any interest on that amount in full, as set out above.

Where the compensation amount already exceeds £160,000, I would only require JLT Wealth Management Limited to pay Ms W any interest as set out above on the sum of £160,000.

Recommendation: If the compensation amount exceeds £160,000, I also recommend that JLT Wealth Management Limited pays Ms W the balance. I would additionally recommend any interest calculated as set out above on this balance to be paid to Ms W.

If Ms W accepts this decision, the money award becomes binding on JLT Wealth Management Limited.

My recommendation would not be binding. Further, it's unlikely that Ms W can accept my decision and go to court to ask for the balance. Ms W 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 Ms W to accept or reject my decision before 24 February 2023.

Ben Stoker
Ombudsman