

## **The complaint**

Mr R complains that LEBC Group Limited didn't carry out an annual review of his investments.

## **What happened**

Mr R held investments on a platform which were serviced by LEBC on a discretionary basis. Mr R says the annual review due during 2020 didn't take place.

LEBC says a review should have taken place in early 2020, but this didn't happen because of circumstances outside its control. It said it would refund the ongoing advice fees charged after September 2020 until Mr R ended his agreement in January 2021. But it said no fees were charged during this period.

Our investigator recommended the complaint should be upheld. He concluded that Mr R shouldn't be charged for the service he didn't receive. He thought LEBC should refund 50% of the fees Mr R paid from January to December 2020, plus compensation for the lost growth on the refund because the fee was taken from his portfolio.

LEBC didn't agree. It said, in summary, that:

- The review due in 2020 didn't happen due to the national lockdown and furlough of staff who would have co-ordinated the diary reviews.
- Mr R's review was not due until mid- 2020, so fees should be payable up until that date; all ongoing advisor charges ceased in September 2020, so no refund is due.
- Mr R's wife was invited to a review meeting, but she didn't see the invitations until March 2021 when she checked her email spam folder.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I find I have come to the same conclusion as the investigator for the following reasons:

The ongoing advisor fees covered the ongoing governance of Mr R's investments and an annual review. The review due in 2020 didn't take place. So Mr R has paid for a service he didn't receive.

Whilst I accept the circumstances LEBC faced in 2020 would have made it difficult for it to provide continuity of service, Mr R was still paying it to provide the agreed service. I find he should reasonably have expected a review to be carried out in 2020.

The on-going advisor charge covers the various activities carried out by LEBC, including an

annual review. I think the investigator's recommendation to refund 50% of these charges is a fair and reasonable way of compensating Mr R. I don't think it's unreasonable that the fees should be refunded from January 2020 to cover the lack of service Mr R received, and the resulting distress and inconvenience he was caused.

LEBC says no fees were charged after September 2020. But Mr R has provided evidence that the fees continued to be debited from his investment portfolio up to and including 1 January 2021.

LEBC has provided us with information about the invitation it sent to Mr R's wife about her review. But Mr R's agreement was in his sole name and the communication between LEBC and his wife is not relevant to his complaint.

### **Putting things right**

LEBC Group Limited should refund 50% of its monthly ongoing advisor fees from January 2020 to January 2021 inclusive.

If the fees hadn't been charged from the portfolio, the money would have remained invested in line with the rest of the portfolio. LEBC Group Limited should compensate Mr R for the lost growth. It should calculate the amount his portfolio grew between the date each payment was taken, and the date he ended his agreement. LEBC should then pay him an amount equal to the combined lost growth on the 50% portion of the fees it's refunding.

In addition, it should pay interest at 8% simple per annum - on the refund and the calculated lost growth - from the date Mr R ended his agreement until the date it makes the payment. \*

LEBC Group Limited should provide Mr R with a copy of its compensation calculation.

\* HM Revenue & Customs requires LEBC Group Limited to take off tax from this interest. LEBC Group Limited must give Mr R a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

My final decision is that I uphold this complaint. LEBC Group Limited should pay compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 October 2022.

Elizabeth Dawes  
**Ombudsman**