

## **The complaint**

Mr R complains about advice he was given to transfer the benefits of a defined-benefit (DB) occupational pension scheme (OPS) to a personal pension plan. He says the advice was unsuitable for him and believes this has caused him a financial loss.

Openmoney Advisor Services Ltd is responsible for answering this complaint. To keep things simple I'll refer to it as "OAS".

## **What happened**

Mr R approached OAS to discuss his pension and retirement needs in 2017. The information OAS gathered about Mr R was broadly as follows:

- Mr R was 52 years old and in good health. He was earning £33,000 (gross) per year. He'd indicated he might like to retire at the age of 60 but accepted this would depend on his financial circumstances at the time.
- Mr R was divorced and living with an elderly relative. He had two grown-up children who were not financially dependent on him. Mr R had no demonstrable savings or investments. He had a small loan which he was paying down. He described himself as having a very basic lifestyle with a low cost of living.
- Mr R had a number of pensions. The pension he's complaining about here was an OPS that he was a deferred member of, having been previously employed between 2001-2013. The cash equivalent transfer value (CETV) of Mr R's OPS was approximately £131,000, with a normal retirement age of 65.
- Mr R also had 'defined contribution' (DC) pensions. These are pensions where the benefits provided depend on the value of the contributions made and the investment growth. So, the investment risks are borne by the individual consumer. One pension had a fund valued at the time of £52,000. A second was valued at around £35,000. I understand Mr R was also a member of his then employer's scheme as of 2017 – this was another DC scheme. None of these DC pensions are the subject of this complaint.

In May 2017, OAS advised Mr R to transfer out of his defined-benefit OPS and use the funds to invest in a personal pension plan operated by a large and well-known pension provider.

Mr R says he was given unsuitable advice by OAS. One of our investigators looked into the complaint and said we shouldn't uphold it – he thought Mr R was motivated to transfer his OPS so he could provide a legacy for his sons. So, overall, he thought the advice was suitable. Mr R didn't agree with our investigator. As the complaint couldn't be resolved informally, it came to me for a decision.

I issued a provisional decision (PD) on this case on 2 September 2022 inviting either party to provide any new information or arguments they wanted me to consider. OAS sent me a response which I've considered. Mr R didn't submit anything else and said he agreed with what I'd said in the PD.

### **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 am upholding Mr R's complaint.

The regulator, the Financial Conduct Authority ('FCA'), states in its Conduct of Business Sourcebook ('COBS') that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, OAS should have only considered a transfer if it could clearly demonstrate that the transfer was in the consumer's best interests (COBS 19.1.6). And having looked at all the evidence available, I'm not satisfied it was in Mr R's best interests.

### **Financial viability**

As I explained in my PD, from a financial viability perspective, transferring out of Mr R's OPS was going to leave him with lower pension benefits overall. I explained that OAS acknowledges that Mr R's pension funds outside the scheme would not grow to an extent to make transferring worthwhile. However, OAS says it was clear about this and that Mr R was determined to go ahead because he felt there were good reasons to transfer out, mainly relating to death benefits and more flexibility. I'll come back to these points later.

However, to clearly demonstrate by just how much I think Mr R's pension benefits would be lower, I've used the methodology we normally follow when assessing these types of transfer. In my view, this clearly shows just how much he would be losing out.

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 income as the DB scheme. The critical yield required to match Mr R's benefits at age 65 was 7.75% if he took a full pension and 6.04% if he took a tax-free cash element and a reduced pension. The critical yields for retiring earlier, at 60, were much higher at 13% and 10.15% respectively.

The advice was also 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. Whilst 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 when the advice was given in this case.

The relevant discount rate here was 4% per year for 12 years to retirement. For further comparison, the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2% per year.

I've taken all these figures into account and Mr R's 'moderate' attitude to risk, as assessed by OAS. There would be little point in him giving up the guarantees available to him through his OPS only to achieve, at best, the same level of benefits outside the scheme. But here, the critical yield figures were significantly higher than the discount rate and the regulator's middle projections, even before the costs and charges of operating the transferred funds were included.

Further to this, I've also noted that in the pension transfer report, in order to purchase an annuity to provide benefits of equal value to the estimated benefits provided by Mr R's existing scheme at retirement, the estimated fund required was £265,539. In my view, this provides a notable window into the value of the guarantees and benefits typically found within this type of pension - and just how much Mr R would be giving up by transferring out.

I therefore think discount rates, the regulator's standard projections and the other comparisons I've made clearly show that Mr R was highly likely to receive benefits of a substantially lower overall value than his OPS at retirement, as a result of investing in line with that attitude to risk.

OAS provided a number of financial planning projection models which it says shows Mr R would have been able to meet his needs in retirement. OAS hasn't really relied on the pension transfer being better for Mr R from a financial perspective. And in any event, the models I've considered aren't like-for-like comparisons with Mr R's pension. As well as not being inclusive of costs and charges, the benefits and guarantees found within Mr R's OPS were not matched in these models.

For these reasons therefore, I don't think a transfer out of the OPS was in Mr R's best interests. Of course, financial viability isn't the only consideration when giving transfer advice, as OAS has argued here. So, I've considered these other areas below.

#### Flexibility and other issues

In May 2017, OAS issued a suitability report and recommended that Mr R should transfer out of his OPS and invest the proceeds in a 'lifestyle fund' with a fund manager. OAS based this recommendation on what it said were Mr R's objectives. I've summarised these as follows:

- It would enable him to meet his objective of moving his pension to one better suited to his needs.
- He would improve the death benefits available to his children.
- He would have the flexibility to access his retirement benefits from the age of 55.
- He would have further flexibility in terms of only drawing the amount of income he actually needed (using drawdown).
- He could access 25% of the funds free of tax – more than under his OPS.
- He'd have control of his funds, holding them in his sole name with the ability to view them online.
- He would not be subject to the deficit currently in the OPS.

I have considered all these apparent objectives in turn with great care and I don't consider there to be any evidence that transferring out of his OPS better suited his needs.

I'll begin with the death benefits, as a primary objective for transferring was said to be Mr R's desire to see his pension go to his children if he died, rather than to 'die with him'.

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. Mr R was divorced and from what I've seen, the lump sum death benefits on offer through a personal pension was likely an attractive feature to him. He said he didn't want his pension to "die with him".

However, whilst I appreciate death benefits are important to consumers, and Mr R might have thought it was a good idea to transfer his DB scheme 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. OAS's point is that Mr R was prepared to accept a lower retirement income in exchange for more flexible death benefits because he felt he'd have enough money in his retirement with his state pension, payable at the age of 67 in his case, and other (DC) pensions.

Of course, this objective may not be completely without merit when looked at in isolation. However, it was recorded at the time that Mr R was in good health. So at the age of 52, given longevity expectations, the circumstances in which this money could be paid to his children could be said to be many years in the future. And whether the death benefits here were improved following a transfer depended on how much remained in the pension fund at the point of Mr R's passing. Again, given average life expectancy, and the size of his fund, I think it was possible this fund could be depleted prior to Mr R's death, particularly if Mr R's needs were not met by his state pension alone. And if investment returns were poor, it could provide his sons with very little or no death benefits at all. I don't think that this possibility was ever addressed by OAS or made clear to Mr R.

Also, if Mr R genuinely wanted to leave a legacy for his adult children, which didn't depend on investment returns or how much of his pension fund remained on his death, I think OAS should have instead explored life insurance for him much more thoroughly. I can see this was briefly mentioned but it appears to me to have been abruptly dismissed on the basis of Mr R not wanting to pay a monthly premium. No life policy estimates appear to have been obtained and in my view, the reluctance to pay for a monthly life insurance policy conflicts with what I've seen elsewhere about Mr R having a substantial monthly disposable income available.

So, I don't think this was explored enough by OAS during the course of the advice. At 52 years old, insurance may have still been a reasonably affordable option for Mr R, particularly if a time-limited, rather than a 'whole-life' policy was considered. Exploring this option would seem to have been a very worthwhile exercise, when considering against giving up the benefits of a DB scheme solely for this reason.

Very much linked to this issue, I've also seen that it was Mr R's wish to pass on some of the funds to his children upon them marrying. We now know he withdrew the sum of £20,000 for this in 2019. At the time of the advice therefore, I don't doubt that this might have sounded like a very good idea to Mr R and something he was genuinely hoping to do. However, in providing regulated financial advice, OAS's job wasn't simply to transact what Mr R thought he wanted. Its role was to really understand his needs and to provide advice that was in his best interests. And I don't think OAS explored alternative options to fund this aspiration with any vigour.

Under the 'pension freedom' legislation that had recently been brought in, Mr R was still over two years short of being able to access these funds if his intention was to give some of the money away. I haven't seen any compelling evidence that the amount of monies involved, or when he wanted to gift it, had been thought through *at the time* to an extent where Mr R knew how and when this was going to work.

Of course, we know that Mr R already had other DC pensions in existence. I've not seen evidence the OAS adviser explored the option of accessing these schemes instead to prevent transferring out of his OPS and so losing the valuable benefits and guarantees that came with this DB pension. Mr R could choose the beneficiaries of these pension funds on his death – so he already had a means of ensuring a substantial part of his pension didn't die with him.

OAS may also argue that if Mr R took his OPS benefits at age 60 or age 65, he would have too much income in retirement, given his modest outgoings and his state pension entitlement. But even if that was the case, Mr R could've simply redirected any excess income into a tax-efficient savings vehicle, which also could've been used to provide a legacy for his children.

So, I think it's fair to say here that for the passing on of gifts or leaving a legacy, Mr R's other pension funds – already DC schemes – would have been the more obvious choices with which to fund this aspiration. And if taking his pension benefits from his OPS gave him too much income, this could've been saved for the benefit of his children. In short, Mr R simply didn't need to transfer his OPS to enhance his death benefits; in my view, viable alternatives were already available and posed less risk to Mr R than giving up his guaranteed pension.

Next, I considered the issue of flexibility as was mentioned as an objective in transferring out. However, in my view, 'flexibility' – and what this really meant – was poorly defined by OAS. It mentioned in the suitability report that Mr R would have access to the transferred OPS funds at the age of 55. But while that's true, he also had access at that age to his other pensions.

On the evidence I've seen, Mr R didn't appear to have any other specific need to access his pension savings at 55. OAS's assessment of his retirement needs was, at best, very basic indeed and it had already made it clear that he intended to work to at least the age of 60, and possibly to 65. According to OAS's own figures, Mr R had monthly disposable income of around £1,000 and as he was only 52 and intending to work for quite a few more years, it's reasonable for me to assume he didn't need access to this pension at 55. Even if he did intend to give some money away, I've already explained above how his existing DC pensions could have been used. However, there's no indication in the documents I've seen as to why he couldn't also consider gifting money from having saved from his disposable income, as I've referred to above.

There's also no evidence that Mr R had the capacity or desire to manage this pension himself if he transferred it out. He was in a large scheme supported by trustees so the ongoing management of the OPS was something that required very little, if any, effort from Mr R himself. I acknowledge he had other DC pensions, but I've seen no persuasive evidence that Mr R wanted direct involvement in managing his investments or in the selection of funds to such an extent that transferring out was necessary. OAS said he wanted control of his funds in his "sole name", but in my view, what this comment actually means just isn't clear. So again, this seems no more than a 'stock' objective, unrelated to Mr R's circumstances.

Similarly, OAS implied that accessing a full 25% tax-free cash of his transferred funds was a positive reason to transfer. We do often see that the amount of tax-free cash which can be accessed from a personal scheme can be higher than from DB schemes; this is because the benefits of the schemes are valued and calculated differently. However, in this case, I've noted the estimates showed that if he remained inside his OPS, Mr R's tax-free cash element at 65 could be £33,369 – and at the age of 60 it could be £30,544. These sums aren't demonstrably different from what he could get by accessing the funds in a personal pension, although he'd be able to access the latter sooner.

Nevertheless, OAS should have been pointing out that accessing tax-free cash doesn't come without consequences as by removing money from his pension, Mr R would have less left for his ongoing retirement plans. In any event, there was no specific reason to access cash from the OPS at the age of 55, as I've explained; money was available elsewhere to him. Overall, I don't think Mr R had a genuine need to access cash earlier than the OPS's normal scheme retirement age.

Finally, I also can't see evidence that Mr R's future needs had been analysed to an extent that showed he had a strong need for a variable income throughout his retirement as opposed to receiving a steady and guaranteed income via his OPS. I've referred to his other pensions, his future state pension and his apparent potential to build some savings in the interim periods.

However, I don't think Mr R's retirement security was as certain as OAS portrayed. It said he didn't need his existing OPS because he lived simply and didn't have many expenses. It also said he'd be able to get by on his state pension. But his retirement was still some way off. And if Mr R's circumstances changed, or if, for example, he needed to pay for care later in life, then he may well have been more reliant on his OPS benefits than he believed at this time. So, I don't think advising Mr R to give this up so far from his retirement was in his best interests. And the assertion that he would inherit his relative's property was, in my view, poorly evidenced. I've seen nothing that shows the value of any future inheritance he might receive. Nor did I see whether others might benefit from such an inheritance.

### Stability of the OPS

Although I've seen some comments from the time of the advice, about Mr R's OPS being in deficit, I don't think there is any credible evidence to suggest this was a meaningful part of the decision to transfer out. Nor does it affect my decision in any way.

With these types of DB schemes, it's not uncommon for there to be deficits and also for large companies to be making payments to address future shortfalls in the funding of the scheme. This appears to have been the case with Mr R's OPS and from what I've seen the funding of his OPS was not in a position such that Mr R should have genuinely been concerned about its overall security. I saw there was clear evidence that the company involved had a comprehensive plan to make regular payments to address this shortfall.

In any event, this was not a substantial issue in this case. However, even if the scheme did end up moving to the pension protection fund (PPF), I think OAS should have explained at the time that this was not as concerning as Mr R might have otherwise thought. The figures I've seen in OAS's pension transfer analysis shows Mr R was still unlikely to match, let alone exceed the benefits available to him through the PPF if he transferred out to a personal pension. If any of this had been a relevant factor, I would have expected a comprehensive commentary from OAS at the time it gave its advice, explaining all the relevant issues.

### Suitability of investments

OAS recommended that Mr R invest in funds in a personal pension. As I'm upholding the complaint on the grounds that a transfer out of the DB scheme wasn't suitable for Mr R, it follows that I don't need to consider the suitability of the investment recommendation. This is because he should have been advised to remain in the DB scheme and so the investments in the personal pension funds wouldn't have arisen if suitable advice had been given.

### Response to my PD

As mentioned earlier in this decision, OAS replied to my PD making a number of points. I'm grateful for the time taken for OAS to set out its position again. I've read everything that it has said, but in general terms, almost all of OAS's points are a re-emphasis of what it has already provided. In short, it has furnished nothing new.

OAS highlighted, as I did in my PD, that our investigator had arrived at a different 'decision' to myself. However, I should explain that investigators try to informally resolve complaints to

our Service. And they issue views rather than decisions. OAS will I'm sure know that under the relevant legislation and scheme rules it is the role of the Ombudsman to issue decisions. So, although OAS makes a significant attempt to point out the differences in what our investigator said and what I have said, I'm afraid this is simply not relevant.

Similarly, OAS has asked that a 'committee' rather than myself should issue a decision – again I refer OAS to the relevant rules of our scheme.

In my PD, I explained the rationale for my decision. I accept OAS does not agree with it, but I'm afraid it's reply, long as it is, contains nothing new for me to consider and simply repeats that Mr R's desire was to leave a legacy for his grown-up children by transferring out of his OPS. However, I comprehensively dealt with this issue in my PD. Similarly with other issues, such as explaining the financial disbenefits of transferring, Mr R's apparent desire for flexibility and control of his pension, and the existence of other pensions he could have accessed, OAS had virtually nothing new to add in my view other than comments it made about Mr R's other pensions.

OAS now distances itself from these pensions by saying it did not provide advice relating to these and did not have access to details about them. However, as these formed a very relevant part of Mr R's overall financial situation, OAS should have taken these pensions into account. That it failed to do so further demonstrates the substantial failings in its overall advice, for which Mr R had paid.

I've nevertheless thought carefully about all the arguments again and I've revisited my decision in the light of OAS's reply.

### Summary

In my decision I've explained why I don't think the advice given to Mr R was suitable.

Mr R was giving up a guaranteed, risk-free and increasing income with his OPS. However, by transferring out, he was very likely to obtain overall lower retirement benefits. The critical yield, the discount rate and the regulator's growth projections all indicated that Mr R would be unlikely to grow his funds outside the scheme, to an extent that made transferring worthwhile. And OAS's own analysis provided an insight into the cost of the valuable guarantees and benefits contained within his OPS which Mr R was advised to give up.

OAS hasn't offered any view which disagrees with this. But to be clear, from a financial viability perspective, the transfer out was not in his best interests.

There were also no other compelling reasons to transfer out of this pension scheme. Mr R was 52 years old. He hadn't yet made any retirement plans and OAS couldn't realistically say what his needs in retirement would be. OAS's advice was predicated on what it said would be more flexible death benefits and an ability to give his children some money after he reached 55.

However, I've explained in this decision how this advice was fundamentally flawed. This was Mr R's largest pension and his others were already in DC schemes which he could access at 55 anyway. So, even if his objectives were as stated by OAS, there were other avenues it could have explored when giving Mr R advice.

I went on to explain why there weren't any other viable reasons to transfer out. There was no evidence Mr R needed the flexibility OAS said he wanted, which in any event was poorly defined. Nor was there evidence Mr R wanted to play an active role in managing his funds or investments.

Of course, I've considered, even if Mr R had been advised to remain in his OPS, whether he would have still wanted to transfer out anyway. I acknowledge Mr R may have genuinely wanted to have passed on money to his grown-up children and that he had genuine concerns that his pension would die with him. But as I've explained, there were much better ways of still doing this through life insurance, monthly savings and mostly, through his other (DC) pensions.

OAS failed to point these other options out – if it had, I think Mr R would have considered these options to have met his needs without compromising his own retirement. His OPS provided a guaranteed and dependable source of income for Mr R's retirement, and its true value was undersold to him when OAS was providing its advice. Mr R paid substantially for the advice; so all these things assure me that if the advice had been to stay in his pension, I think that's what Mr R would have done.

Accordingly, I still think there's very strong evidence here that OAS should have advised Mr R to remain in his OPS; had that advice been given, I think Mr R would've accepted it. In light of this, I think OAS should compensate Mr R for the unsuitable advice.

### **Putting things right**

A fair and reasonable outcome would be for the business to put Mr R, as far as possible, into the position he would now be in but for OAS's unsuitable advice. I consider Mr R would have most likely remained in his DB scheme if suitable advice had been given.

OAS 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, Mr R has not yet retired, and he has no plans to do so at present. So, 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 R's acceptance of the decision.

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

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

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.

I am aware that on 2 August 2022, the FCA launched a consultation on changes to this guidance and has set out its proposals in a consultation document - [CP22/15-calculating redress for non-compliant pension transfer advice](#). The consultation closed on 27 September 2022 with any changes expected to be implemented in early 2023.

In this consultation, the FCA has said that it considers that the current methodology in FG17/9 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.

Nevertheless, the basic objective of the proposed amendments still remains to put a consumer, as far as possible, into the position they would be in if the business had advised them to remain in the DB scheme.

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 during the consultation. But until changes take effect, firms should give customers the option of waiting for their compensation to be calculated in line with any new rules and guidance that may come into force after the consultation has concluded.

I think it's fair for me to give Mr R the same choice.

I am satisfied that a calculation in line with FG17/9 remains appropriate and, if a loss is identified, will provide fair redress for Mr R. And, having reviewed the FCA's consultation and its proposed updates to the methodology, I'm satisfied that the proposed changes under consultation would, if ultimately implemented, still reflect a fair way to compensate Mr R in this case.

Therefore, if Mr R wishes to have his redress calculated in line with any new or updated guidance and rules, I intend to ask OAS to undertake a redress calculation in line with the updated methodology as soon as any new rules and/or guidance come into effect (rather than to calculate and pay any due compensation now in line with FG17/9). As I have set out above, it is not certain when any updated rules and guidance will come into effect, but the FCA has said that it expects this will be in early 2023.

As noted above, the FCA has stated that the aim of any updated guidance and rules would remain the same as in FG17/9, which is to put consumers in the position they would be in if they had remained in their DB scheme (recognising actual reinstatement into the former scheme might not be possible).

This Service can't advise Mr R on whether or not he should wait. The FCA has published some information and answers to likely questions consumers might have about how redress is calculated. I recommend Mr R reads this information before he makes his choice.

This can be found here: <https://www.fca.org.uk/consumers/pension-transfer-defined-benefit/redress-calculations>

Mr R should let me know in response to this view whether he wishes for OAS to calculate any compensation that may be owed to him:

a) in line with the guidance in FG17/9 (as recommended above)

or

b) in line with any new rules or guidance that are expected to come into force in early 2023.

If I don't receive a response on this point, I'll assume Mr R doesn't wish to wait and I'll continue to recommend compensation to be calculated in line with FG17/9.

If the complaint hasn't been settled in full and final settlement by the time the outcome of the consultation is published, I'd expect OAS 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'm now upholding this complaint and require Openmoney Advisor Services Ltd to pay Mr R 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 additionally require Openmoney Advisor Services Ltd to pay Mr R any interest on that amount in full, as set out above.

Where the compensation amount already exceeds £160,000, I would only require Openmoney Advisor Services Ltd to pay Mr R any interest as set out above on the sum of £160,000.

Recommendation: If the compensation amount exceeds £160,000, I also recommend that Openmoney Advisor Services Ltd pays Mr R the balance. I would additionally recommend any interest calculated as set out above on this balance to be paid to Mr R.

If Mr R accepts this decision, the money award becomes binding on Openmoney Advisor Services Ltd.

My recommendation would not be binding. Further, it's unlikely that Mr R can accept my decision and go to court to ask for the balance. Mr R 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 R to accept or reject my decision before 28 October 2022.

Michael Campbell  
**Ombudsman**