

## The complaint

Mr J complains about the advice given by PSP Wealth Management Ltd ('PSP') to transfer the benefits from his defined-benefit ('DB') occupational pension scheme to a personal pension. He says the advice was unsuitable for him and believes this has caused a financial loss.

Mr J is being represented by a third party but for ease of reading this decision I'll largely refer to representations as being made by Mr J.

## What happened

PSP's notes indicate that Mr J was introduced to them by another business to discuss his retirement provisions, as that other business wasn't authorised to give advice in relation to DB pension schemes.

On 6 November 2013, PSP completed a fact-find to gather information about Mr J's circumstances and objectives. This said that Mr J had little understanding of his DB scheme and wanted to establish if it was still suitable for him. It then recorded though, despite this earlier comment, that Mr J agreed with PSP that the level of performance and available investment choices within the DB scheme was poor. PSP said he wanted to maximise his benefits at retirement and turn around this poor performance, taking a modern, relevant, cost-effective plan with a good level of investment growth. It said he expected to require an income of £19,000 per year in retirement. PSP also said Mr J wanted immediate access to 25% of the pension fund as tax-free cash ('TFC') but didn't want to take an income. It said the TFC was to be used for the repayment of debts but details of these were not recorded in the fact find. PSP has said that this was because they were debts to family members.

The fact-find recorded that, at the time of the advice, Mr J was 56, employed full time, married and in good health with no dependents. He and his wife owned their own home and PSP recorded that Mr J also had a further £20,000 in investments. The fact find didn't record any outstanding liabilities, such as a mortgage. Nor did it record any other pension arrangements, other than his DB scheme. Mr J's income was said to be exceeding his outgoings by just over £700.

PSP also carried out an assessment of Mr J's attitude to risk, which it deemed to be 'high medium' or a 6 on a scale of 1 to 10.

A transfer value quotation was obtained from the trustees of the DB scheme. This said that the cash equivalent transfer value ('CETV') of Mr J's benefits was £91,905.57.

On 19 November 2013, PSP advised Mr J to transfer his pension benefits into a capped drawdown personal pension, take the maximum available TFC and begin drawing an income. PSP said Mr J intended to retire around nine years after the advice but wanted access to the maximum available TFC immediately, without taking an income, in order to repay some personal debts. The level of those debts was again not noted. PSP said Mr J didn't have a need for an income, but this could be recycled into the pension, by way of regular contributions which it indicated would create no tax liability but generate a further tax-

free sum in the future. It said other options for paying debts had been discounted as Mr J did not want to take on any further borrowing. It also said Mr J didn't want to use funds held in a bank account as he considered these a contingency but then went on to say he had no other investments or assets. The recommendation letter said that another of Mr J's objectives was to maximise the death benefits the pension would provide.

PSP reiterated Mr J had a high medium attitude to risk but also stated that the DB scheme was his only personal retirement plan and that significant losses would impact his standard of living in retirement. Even with this in mind though it still recommended a transfer as it felt this best achieved Mr J's goals.

Mr J complained in 2021 to PSP about the suitability of the transfer advice. He said he was an inexperienced investor and didn't think his circumstances and needs had been appropriately considered by PSP. He didn't think the reasons for transferring, in particular accessing a lump sum, meant that a transfer was in his best interests. And Mr J said he couldn't afford to risk the guarantees the DB scheme provided or accept lower retirement benefits which he now thought was always likely to happen.

In response PSP said Mr J did have other retirement provisions, including entitlement to a state pension and accessing a lump sum to address debt was very important to him. It also said Mr J had been given warnings about the risks involved. So, PSP said it felt it had provided correct advice at the time and given this and the inaccuracies it believed were present in the complaint, it didn't uphold Mr J's complaint.

Mr J referred his complaint to our service. He's said he didn't understand his pension arrangements when speaking to PSP but the offer of TFC sounded like a good idea. However, Mr J says he didn't have any debts to his family, as PSP has suggested, at the time of the advice and had no need to access TFC. He says he did have an outstanding mortgage, although this wasn't recorded by PSP, which he thinks demonstrates that it didn't properly assess his circumstances. He confirmed he did have another pension arrangement and took benefits from this at age 60 due to ill health.

An investigator considered the complaint and thought that it should be upheld, and PSP should compensate Mr J for any loss the transfer had led to. She thought Mr J was always likely to receive lower retirement benefits as a result of transferring, which she didn't think was made as clear as it should've been, and she didn't think he was as willing to take risk as PSP had suggested. In addition, she didn't think transferring to achieve alternative death benefits was suitable. And on the subject of TFC, as Mr J had said he didn't need this to repay debts and PSP had recorded very limited information at the time, she didn't think there was enough to say this was a genuine need. So, she didn't think a transfer was in Mr J's best interests.

PSP disagreed. It said Mr J had wanted retirement advice, a flexible pension with access to the maximum possible tax-free cash and had discounted alternatives and taking an annuity. It said that alternative death benefits were not a main consideration by PSP for recommending a transfer. PSP maintained that the DB scheme was not a significant part of Mr J's retirement provisions as he had a pension with his current employer that would meet the majority of his income needs so he had capacity for loss.

PSP said Mr J had made it aware of wanting to clear debt at the time, and it considered this a genuine objective. Given the nature of these debts were private though, it didn't think it needed to record any further information. And it said Mr J's objective was to achieve advice on the scheme and his retirement options at the time. So, what the DB scheme would provide at the normal scheme retirement age and the critical yield were not a relevant consideration and PSP says it did not advise him on improving his benefits at the normal

scheme retirement age. Lastly it questioned whether the complaint had been made too late according to our rules.

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 considered the issue of whether the complaint had been made too late. But explained to PSP that, based on the information available, I didn't think it had. I invited PSP to send any further comments if it disagreed. But it did not respond. As a result, I've gone on to look at the merits 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 PSP'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.

PSP has said that Mr J wanted a flexible pension. So, its advice was based on this and what he could get at the point of the advice. And as a result, what the DB scheme could've provided at the normal retirement date was not relevant.

Firstly, Mr J said he didn't understand his pension and wanted advice about it. And indeed, one of the first things the fact find recorded, in the "*Reason for Review*", was that Mr J had a "*preserved occupational pension which they have little understanding of how this pension operates or if it remains suitable...*".

I also note that the fact find said Mr J agreed with the adviser that the past performance and available choices in their existing pension fund was poor. If this statement was correct, that the parties agreed this, I think this in fact further enforces that Mr J didn't understand the pension he had. Because in a DB scheme the pension holder doesn't choose investments or rely on fund performance. The pension benefits in a DB scheme are defined by the pension

holder's salary and length of service while they were an employee of the relevant business. And the pension scheme guarantees to provide a level of benefits based on this – which normally escalates until and in retirement – with the scheme bearing the risk as to whether there was enough funding to do so.

It's difficult to therefore reconcile Mr J having a set idea of what he wanted, if he didn't understand the pension that he had. And more concerning is that making reference to investment choices being poor suggest a lack of understanding on PSP's part as well.

In any event though, it wasn't PSP's role to just put in place something Mr J might've thought he wanted. Its role was to advise him on what was in his best interests.

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

### *Financial viability*

When referring to financial viability, I mean how likely it is that Mr J would be better off in terms of the retirement income he would receive, by transferring. Because moving from a DB scheme to a personal pension exposed his pension to risk that he wasn't otherwise subject to. So given this, and as a pension's primary purpose is to provide for the income needs of the holder in retirement, whether Mr J would be better off in retirement by transferring is, in my view, a relevant consideration when looking at what was in his best interests

The regulator required PSP to carry out a transfer value analysis ('TVAS') report at the time it gave advice. This included calculating how much Mr J's pension fund would need to grow by each year in order to provide the same benefits as his DB scheme (the critical yield). I've seen a copy of the TVAS that was completed. But the suitability report made no reference to the critical yield calculated as part of that report.

The suitability report did talk about a critical yield. But the figure quoted was how much the pension fund would need to grow by to match the annuity income Mr J could purchase at the time of the advice, from the provider PSP recommended, using the transfer value. This isn't what was required to be considered when giving advice, as it doesn't reflect the guaranteed benefits being given up.

Again, PSP has argued that Mr J wasn't looking for advice on improving the benefits available at the normal scheme retirement age. And it says considering this is unfair as Mr J wasn't looking to obtain advice on future benefits. So, reference to this and the critical yield were not relevant. But the advice was to transfer and invest his pension fund. COBS 19.1.2 specifically required a comparison to be made between what a DB scheme would likely provide and the benefits that would be received by transferring. It also required this to be explained to Mr J. And COBS 19.1.7A says the extent to which the new pension might fall short of providing these benefits should be clearly set out. So, I do not agree with PSP that this wasn't a reasonable consideration. And, while PSP says this would've been discussed with Mr J, I think it is concerning that a summary was not included in the suitability report, particularly when a TVAS was completed.

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. 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.

Mr J was 56 at the time of the advice. The TVAS showed that critical yield required to match Mr J's benefits at the normal scheme retirement age of 65 was 15.02% if he took a full pension and 10.93% if he took TFC and a reduced pension. This compares with the discount rate of 4.6% per year for eight full years to retirement.

The TVAS also included a calculation of the critical yield if Mr J had wanted to retire at age 60, five years sooner. This was 24.07% if he took a full pension or 20.86% if he took TFC and a reduced pension at that time. Which compares to a discount rate of 4.1% for three full years to retirement.

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%.

PSP said Mr J had a 'high medium' attitude to risk. But our Investigator didn't think the information from the time necessarily supported this. While it has now been confirmed that Mr J did have other pension provisions, indicating he had some capacity for loss, I share some of the Investigator's concerns about whether he truly had a 'high medium' attitude to risk. I say this because, in the relevant risk questionnaire, I can see that Mr J disagreed with the statement that taking financial risks was important to him, and that he'd be happy investing a large portion of his income / capital in high risk investments. And he also agreed that he would rather know he was getting a guaranteed return than be uncertain. And while he agreed that he'd be willing to risk a *percentage* of his capital for a good investment return, what specific percentage was not discussed.

There would be little point in Mr J giving up the guarantees available to him through his DB scheme only to achieve, at best, the same level of benefits outside the scheme. But here, even if Mr J did have a 'high medium' attitude to risk, based on this attitude to risk, the critical yield, discount rate and its composition of assets and the time to retirement, I think Mr J was likely to receive benefits of a substantially lower overall value than the DB scheme at retirement, as a result of investing in line with that attitude to risk.

So, from a financial viability perspective, I think a transfer out of the DB scheme wasn't in Mr J's best interests. Of course, financial viability isn't the only consideration when giving transfer advice. There might be other considerations which mean a transfer is suitable, despite providing overall lower benefits. Which PSP has argued here saying Mr J wanted flexibility and to obtain benefits straight away. I've considered this below.

#### *Flexibility and income needs*

PSP says Mr J wanted a flexible pension as he wanted to access the maximum TFC possible at the time of the advice, but didn't need an income as he intended to work to age 65. It says he needed access to TFC to repay debts to his family. With the recommendation also recording he wanted to build up an emergency fund. It also says he expected to require an income of £19,000 per year in retirement.

Mr J says he had no set plans when contacting PSP and just wanted to understand more about his pension – which is something the fact find noted. He says he had no debts to family members. And he says PSP led him to believe that accessing TFC was a good idea, but this wasn't something he needed.

As I've already noted, the fact find recorded that Mr J didn't understand his DB scheme pension and wanted to know if it was still suitable for him, which is what he has said when

making his complaint. But it then went on to say that he knew what he wanted as an alternative. Notwithstanding that PSP's role wasn't to just put in place what Mr J might've wanted, I think these statements are somewhat contradictory. And call into question which was accurate.

This isn't the only inconsistency in the information from the time. In the recommendation, PSP said Mr J wanted access to TFC to repay debt and to hold some money in reserve as an emergency fund as it said he didn't have one. It also said he had no other investments and, in respect of his financial experience said he had no other equity holdings. The fact find though recorded that Mr J held £20,000 as 'investments'. And the suitability report said Mr J had some funds in a bank account. But he'd discounted using these as an alternative as these were considered a 'contingency'. Which suggests he already had an emergency fund.

The fact find also didn't record any information about an outstanding mortgage and said he had no liabilities. But Mr J says he had an outstanding mortgage. The fact find did note a monthly expenditure of £2,875, which would be quite high if there were no set liabilities factored into that. But it appears PSP did not gather any information to show how this was broken down.

These contradictions, in my view, make it quite difficult to conclude that PSP had a clear understanding of Mr J's circumstances.

In turn this makes it difficult to say, on balance, if Mr J genuinely had debts that needed to be repaid. He said he didn't and PSP just led him to believe that accessing TFC was in his interests. Whereas PSP says he had debts to family that he wanted to repay.

The recommendation said Mr J wanted to access TFC "*to repay some personal debts*". But gave no additional detail to this. I can't see that Mr J objected to this statement at the time. So, I think it's likely, after the initial discussion with PSP, using TFC for this purpose might've been something he considered. But I don't think it necessarily confirms he went into the discussions with PSP with this as an objective, particularly given what was recorded about him just wanting to know if what he already had was suitable.

PSP has said that it didn't record information about the debts Mr J wanted to repay because they were with family members. But this being a *need* that made the transfer suitable was the foundation of its advice. Again COB 19.1.6 says "*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.*" And without details of exactly how much the apparent debts were, I don't think PSP has done enough to show, based on evidence, that transferring to address these debts was in Mr J's interests.

Transferring allowed Mr J to access TFC of £22,969.39. But again, the recommendation indicated that repaying debt wasn't the only reason for taking this money. So, it seems reasonable to assume that any debt was less than this. And again, the fact find recorded that Mr J had approximately £20,000 set aside. Which, on balance, seems to have been sufficient to potentially repay debts, if in fact they existed. There was also the option of borrowing from a conventional lender to achieve this goal. And I can see an early retirement quote was also obtained from the DB scheme which said Mr J could take benefits at that time and draw TFC of £12,862.07. Due to PSP's failure to record more information, it isn't clear if this would've been sufficient to clear the debts it has referred to. But I note that the recommendation didn't rule this out on the basis of that amount being insufficient. Instead, it said Mr J didn't want to take an income at that time. So, it doesn't appear, in my view, that Mr J *needed* to access more TFC.

PSP has said that these other options for accessing funds were ruled out by Mr J as he didn't want to do any of these things. But again PSP's, role wasn't to just put in place what Mr J wanted, but to advise him what was in his best interests. And based on the information I've seen I don't think there is enough to say that transferring for this purpose was in his best interests.

PSP also recorded that Mr J wanted to achieve an income of £19,000 per year. And it said he intended to work until age 65, so his salary would meet his income needs until that time. The TVAS estimated at age 65, Mr J would receive a full pension of £8,377 per year from the DB scheme, which would've continued to escalate while in payment. This would have fallen short of what he expected to need. But, as I've already explained, he was unlikely to improve on these benefits by transferring and investing in line with his attitude to risk. So, I don't think transferring was in his interests, based on this objective.

PSP has since said that he didn't need to retain his DB scheme to help towards his income in retirement, as he had other provisions. And it says, based on his length of service with his employer, it was reasonable to assume this would meet his income needs. But this highlights another inconsistency in the information from the time. The fact find didn't record that Mr J had any other pensions – despite there being a section for this information to be noted. The recommendation letter also included the statement that the DB scheme was Mr J's "*only personal retirement plan*". Which doesn't support that this was a consideration at the time.

I'm satisfied that Mr J did have another pension arrangement at the time of the advice. He has confirmed he did. And I've seen evidence suggesting PSP contacted the trustees of that other scheme at the time to check if it accepted transfers into the scheme. But beyond that, no further information was gathered about its value or the expected benefits it would provide. So, I don't agree with PSP that it was reasonable to assume that this would've provided the income Mr J required, and I certainly don't think the evidence supports that this was a reason for its recommendation at the time of the advice.

Even though PSP said Mr J didn't want an income from the pension, it recommended he draw on and recycle this into his pension. The purpose of this seems to have been to potentially allow him to take a further tax-free sum at a later date. But I can't see that Mr J had a documented need for this. And I think the information PSP gave Mr J about this was inconsistent. In its Pension Analysis Report, it said "*by doing this no tax liability is created*". But in the summary of its recommendation, it stated that income from the pension would be taxed – which I understand would've been the case for Mr J as he was receiving a salary. So, I think this likely made it difficult for Mr J to make an informed decision about this. But in any event, I don't think this facility meant that a transfer was in his best interests.

Overall, I don't think Mr J had a need for flexibility or to access TFC at the time of the advice, so I don't think transferring for this reason was in his best interests.

## *Death benefits*

PSP has said the alternative death benefits a transfer achieved weren't a reason for its recommendation or an important consideration. I note though its recommendation said one of Mr J's concerns was the death benefits his estate would receive, that he wanted to maximise the death benefits his spouse would receive and that one of the reasons for its recommendation was it would enhance the available death benefits. So, contrary to what PSP now says, this does seem to have been a consideration at the time.

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 might've been an attractive feature to Mr J. But whilst I appreciate death benefits are important to consumers, and Mr J 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 Mr J about what was best for his retirement provisions. A pension is primarily designed to provide income in retirement. And I don't think PSP explored to what extent Mr J was prepared to accept a lower retirement income in exchange for higher death benefits.

The DB scheme also provided death benefits. Mr J was married and so the spouse's pension provided by the DB scheme would've been useful to his spouse if Mr J predeceased her. This was guaranteed and it escalated – it was not dependent on investment performance, whereas the sum remaining on death in a personal pension was. And the sum remaining would also have been reduced by income Mr J drew from the pension. And given he was recorded as being in good health, there was the possibility it would be significantly depleted by the point it came to be passed on. In any event, PSP should not have encouraged Mr J to prioritise the potential for higher death benefits through a personal pension over his security in retirement.

Furthermore, if Mr J genuinely wanted to leave a legacy for his spouse, which didn't depend on investment returns or how much of his pension fund remained on his death, life insurance could've been explored. But I can't see that PSP gave any significant consideration to this.

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 J.

## *Summary*

I don't doubt that the flexibility and alternative death benefits on offer through a personal pension would have sounded like attractive features to Mr J. But again, PSP wasn't there to just transact what Mr J might have thought he wanted. The adviser's role was to really understand what Mr J needed and recommend what was in his best interests.

Ultimately, I don't think the advice given to Mr J was suitable. He was giving up a guaranteed, risk-free and increasing income. By transferring, Mr J was very likely to obtain lower retirement benefits and in my view, there were no other particular reasons which would justify a transfer and outweigh this. There isn't sufficient evidence, in my view, to show that Mr J *needed* to transfer to address debts and he seems to have had alternative ways of addressing this if it were a genuine objective. And I can't see that he needed to access his benefits flexibly.

So, I think PSP should've advised Mr J to remain in his DB scheme.

Of course, I have to consider whether Mr J would've gone ahead anyway, against PSP's advice. And I've considered this carefully. But I'm not persuaded that Mr J would've insisted on transferring out of the DB scheme, against PSP's advice. I say this because Mr J was an inexperienced investor – who by his own admission didn't understand the pension and was just seeking help, which was also noted at the time of the fact find. And this pension, contrary to what PSP has now said, seems to have been an important part of his retirement provisions. So, if PSP 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've accepted that advice.

I'm not persuaded that Mr J had any genuine needs that he felt were so great that meant he would've insisted on the transfer knowing that a professional adviser, whose expertise had been recommended to him and for which he was paying, didn't think it was suitable for him or in his best interests. And I think that explanation would've carried significant weight. So, I don't think Mr J would have insisted on transferring out of the DB scheme.

In light of the above, I think PSP should compensate Mr J 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 J, as far as possible, into the position he would now be in but for the unsuitable advice. I consider Mr J would have most likely remained in the occupational pension scheme if suitable advice had been given.

PSP must therefore undertake a redress calculation in line with the rules for calculating redress for non-compliant pension transfer advice, as detailed in policy statement PS22/13 and set out in the regulator's handbook in DISP App 4:

<https://www.handbook.fca.org.uk/handbook/DISP/App/4/?view=chapter>.

For clarity, I understand that Mr J retired at age 60. And, as our Investigator said, I think it's likely he'd have also taken benefits under his DB scheme at that point. So, in the circumstances, compensation should be based on him taking benefits at this age.

This calculation should be carried using the most recent financial assumptions in line with PS22/13 and DISP App 4. In accordance with the regulator's expectations, this should be undertaken or submitted to an appropriate provider promptly following receipt of notification of Mr J's acceptance of the decision.

If the redress calculation demonstrates a loss, as explained in policy statement PS22/13 and set out in DISP App 4, PSP should:

- always calculate and offer Mr J redress as a cash lump sum payment,
- explain to Mr J before starting the redress calculation that:
  - their redress will be calculated on the basis that it will be invested prudently (in line with the cautious investment return assumption used in the calculation), and
  - a straightforward way to invest their redress prudently is to use it to augment their DC pension
- offer to calculate how much of any redress Mr J receives could be augmented rather than receiving it all as a cash lump sum,
- if Mr J accepts PSP's offer to calculate how much of their redress could be augmented, request the necessary information and not charge Mr J for the calculation, even if he ultimately decides not to have any of their redress augmented, and

- take a prudent approach when calculating how much redress could be augmented, given the inherent uncertainty around Mr J's end of year tax position.

Redress paid to Mr J as a cash lump sum will be treated as income for tax purposes. So, in line with DISP App 4, PSP may make a notional deduction to cash lump sum payments to take account of tax that consumers would otherwise pay on income from their pension. Typically, 25% of the loss could have been taken as tax-free cash and 75% would have been taxed according to Mr J's likely income tax rate in retirement – presumed to be 20%. So, making a notional deduction of 15% overall from the loss adequately reflects this.

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 PSP Wealth Management Ltd to pay Mr J 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 PSP Wealth Management Ltd to pay Mr J any interest on that amount in full, as set out above.

Where the compensation amount already exceeds £160,000, I would only require PSP Wealth Management Ltd to pay Mr J any interest as set out above on the sum of £160,000.

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

If Mr J accepts this decision, the money award becomes binding on PSP Wealth Management Ltd.

My recommendation would not be binding. Further, it's unlikely that Mr J can accept my decision and go to court to ask for the balance. Mr J 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 J to accept or reject my decision before 26 May 2023.

Ben Stoker  
**Ombudsman**