

## The complaint

Mrs R complains about the poor performance of her stakeholder pension plan which she says is the fault of Standard Life Assurance Limited.

## What happened

In late 2006 Mrs R joined a group stakeholder pension (SHP) with Standard Life. At this time an application was completed which showed Mrs R was given advice by an independent financial adviser (IFA) and that she had chosen to invest 100% of her pension funds in Standard Life's Stakeholder Ethical Fund.

In February 2007 Standard Life provided Mrs R and her adviser with policy documents. These showed that the plan was invested in the Ethical Fund. Also included was information about how to access her pension plan online to obtain fund values and make changes to the funds in which her payments were invested.

The information provided also explained, among other things, that Standard Life would

*invest your payments in units in the pension in the pension funds chosen by you in your application (or at any later time)... You can ask us at any time for leaflets which describe our range of pension funds and how those funds are performing.*

And:

*each year, we will send you a statement showing the payments, including minimum contributions that we have received over the past year and the current value of your policies.*

As well as:

*please note that the value of investments can go down as well as up, and may be worth less than what was paid in. If you are unsure of which investment option(s) to choose you may wish to seek advice from a financial adviser. There is likely to be a cost for this.*

Mrs R transferred her pension benefits to another provider in August 2022. Subsequently, she complained to Standard Life while transferring she noticed a "massive investment loss of approximately 17%." She believes this was because of Standard Life's poor investment decisions and wanted a least a portion of her lost funds returned to her.

Standard Life didn't uphold the complaint. It said the loss was primarily the result of external market forces which impacted the value of the fund in which she was invested.

Unhappy with this response, Mrs R brought her complaint to this service for an independent assessment. One of our investigators looked into her concerns but didn't think Standard Life had done anything wrong. He said Standard Life wasn't regulated to provide financial advice and it had explained that investment performance isn't guaranteed and can go up and down.

In response Mrs R said she had no way of knowing the fund had performed so badly in the last year and thought Standard Life had a responsibility “to advise investors if a fund is doing particularly badly.”

The investigator wasn't persuaded to change his mind. Since an agreement could not be reached, the complaint has been passed to me to decide.

### **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 have reached the same conclusions as the investigator and for broadly the same reasons.

When considering what is fair and reasonable, I have taken into account relevant law and regulations; regulator's rules, guidance and codes of practice; and what I consider to have been good industry practice at the time.

It is my role to fairly and reasonably decide if the business has done anything wrong in respect of the individual circumstances of the complaint made and – if I find that the business has done something wrong – award compensation for any material loss or distress and inconvenience suffered by the complainant as a result of this.

I appreciate that Mrs R is unhappy that the plan hasn't performed as she had hoped but returns on investments aren't guaranteed. Just because an investment hasn't performed as well as expected doesn't necessarily mean the business has done anything wrong.

Standard Life's role here is that of product provider. So it is primarily responsible for administering the pension plan in accordance with its terms and conditions; providing Mrs R with clear, fair, and not misleading information about her plan; and investing contributions in line with her instructions. Critically, Standard Life is not regulated to provide advice, this means it cannot legally tell its customers what investments to make.

I've carefully reviewed the documents provided to Mrs R when her plan started. Standard Life's paperwork explained, among other things, that the value of investments can fluctuate and that she should seek financial advice if she was unsure about where to invest. And it set out how the pension contributions would be allocated. It also explained that Mrs R able to access her plan online, allowing her to view the value of her plan at any time and to make changes to her investments. This was explained in multiple places in the policy documents and on her annual statements.

I consider this information was clear and not misleading. And if Mrs R had any questions or concerns, I note that she was receiving advice from an IFA.

Furthermore, I can see that Mrs R's pension plan was invested in line with her instructions as required under the terms of the plan. She was also provided with annual statements and access to her plan information online. So I can't see that Standard Life administered her plan incorrectly.

I understand that Mrs R feels that Standard Life should have told her about the performance of her investments. But this would not have been appropriate as it could have led her to believe Standard Life was giving financial advice. It seems Mrs R wanted financial advice, and I appreciate she is disappointed that Standard Life didn't advise her, but as a product

provider Standard Life is not authorised to do so. Furthermore, the value of her plan was available at any time online. And she could also make changes to her investments online. So I can't say that Standard Life are responsible for any financial loss.

I'm sorry to disappoint Mrs R, but for the reasons outlined above, I don't uphold her complaint.

**My final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 27 January 2023.

Jennifer Wood  
**Ombudsman**