

The complaint

Mr E complains about the advice given by Jewell & Petersen Ltd ('JPL') to transfer the benefits from his two defined-benefit ('DB') occupational pension schemes to a personal pension. He says the advice was unsuitable for him and believes this has caused a financial loss.

What happened

Mr E approached JPL in early 2016 to discuss his pension and retirement needs. He was finding work increasingly stressful and wanted to look at taking immediate retirement.

JPL completed a fact-find to gather information about Mr E's circumstances and objectives. It noted the following:

- Mr E was aged 55 and married with 3 children, one of which was dependent.
- He was employed earning a basic salary of £42,500 per year along with an annual bonus of between £10,000-£15,000.
- Mr E's annual bonus was usually paid into his employer operated self-invested personal pension plan ('SIPP') to ensure he remained a basic rate taxpayer.
- Mrs E wasn't working.
- Mr and Mrs E had total (non-itemised) monthly commitments of £2,400 of which £1,000 was recorded as being more than enough to cover essentials.
- Mr and Mrs E's home was valued at £380,000 and was mortgage free. They had no debt.
- They had joint investments comprising £31,000 in an investment ISA and between £15,000-£20,000 in a cash ISA.
- Mrs E had a personal pension with a fund value of £24,000.
- Mr E had four pensions: the two deferred DB pension schemes he was considering transferring (the first had a cash equivalent transfer value ('CETV') of £110,989 and the second had a CETV of £78,822); his occupational self-invested personal pension ('SIPP') which had an overall value of £102,000 (of which £55,000 was accessible), and a further DB scheme with an undocumented CETV.
- That Mr E needed an annual income in retirement of £24,000.

JPL also carried out an assessment of Mr E's attitude to risk ('ATR'), which it deemed to be 'moderately cautious' in terms of the investment of his underlying funds but 'balanced' overall. JPL also assessed that Mr E had a moderately low capacity for loss in relation to the value of the two DB schemes he wanted to transfer.

On 4 May 2016, JPL issued Mr E with its suitability report and advised him to transfer the scheme benefits from two of his three DB schemes to a personal pension, with a provider I'll call 'M', and invest the proceeds in a moderately cautious fund. The suitability report said the reasons for this recommendation were, in summary:-

- To be able to take early, immediate retirement; Mr E and his wife intended to purchase a motor home and travel abroad for around a year.

- To break all ties with his ex-employer.
- Control of his pension fund.
- Flexible death benefits because Mr E was concerned about provision for his wife if he was to pass away.
- To have access to 25% of his fund as tax-free cash (TFC) immediately along with a monthly income of between £1,000-£2,000.
- The flexibility in retirement to vary the way benefits are paid. Specifically Mr E required income in the short term to fund his retirement until he reached state retirement age.

Mr E accepted the recommendation and signed the transfer forms on 10 May 2016. JPL waived its full advice fee of £9,000 instead charging Mr E just £500 for the transfer along with a reduced ongoing adviser fee of 0.5% of the fund value. M also made an annual product charge of 0.5% on the first £25,000 of the fund value, 0.35% on the value between £25,000 and £100,000 and 0.3% on the value of the fund over £100,000. There was also an annual fund manager charge of 0.32% applied. The transfer took effect shortly after and a total of £189,811.59 was received into the personal pension with M.

In early 2020, disappointed at the performance of his pension fund with M, Mr E transferred his business to another firm of independent financial advisers.

In November 2021 Mr E complained to JPL about the suitability of the advice it had given him to transfer his DB scheme benefits. More specifically Mr E said:-

- He was concerned at the sharp fall in the value of his portfolio after the Covid pandemic and feared that the gains made in the years before that would be wiped out meaning his pension income would not be sustainable.
- There had been a lack of guidance and support from JPL.
- That the disadvantages of transferring his DB pensions had not been explained to him nor had alternative options been suggested.
- Using his SIPP or his other investments to fund his early retirement had not been considered.
- Whether there were any penalties or consequences to accessing his DB schemes early had not been considered.
- JPL had not explained that the effect of the costs and charges on such a low-risk portfolio meant the benefits of his DB schemes were unlikely to ever be exceeded.
- His main concerns were with the appropriateness of the advice JPL gave rather than the investment performance of his pension.

JPL looked into Mr E's complaint but found no evidence to suggest the advice it gave him was unsuitable. It said Mr E's portfolio had not experienced 'sharp falls' but had performed as designed, despite the global pandemic, achieving in excess of the 3% annual return projected at the outset. It also said Mr E had benefitted from significantly reduced charges. JPL said that at no point during the 2018 and 2019 annual reviews had Mr E raised any concern about his pension income being unsustainable. And JPL refuted that it had failed to provide guidance and support, pointing out that it had provided Mr E with 28 updates in total since the transfer and in late February 2020 had sent a specific Covid update which gave him three options for his pension portfolio along with an invitation to discuss his situation.

JPL said Mr E's primary objective had been to retire immediately which he had been able to do along with purchasing a motor home and travelling around Europe. JPL went on to explain that alternative options, and the potential negative consequences of the transfer, had been fully addressed at the time of the advice. It said that his SIPP had been partially

invested in an illiquid investment, and utilising his ISA investments would have meant he would have been left with insufficient funds to cover his essential outgoings.

Unhappy with the outcome of JPL's investigation Mr E referred his complaint to our service. Our Investigator looked into his complaint and recommended that it was upheld. She thought that the transfer wasn't in Mr E's best interests and didn't justify the guaranteed, risk-free benefits being given up. Our investigator recommended that Mr E be compensated in line with the regulator's (the Financial Conduct Authority – 'FCA') guidance.

JPL disagreed with our Investigator's findings. It said that our Investigator hadn't placed enough emphasis on Mr E's primary objective to take early retirement on health grounds. It said that due to the deteriorating relationship between Mr E and his employer there was no timescale for when his share of the illiquid investment (the premises being used by the company) would be made available. It said the legal owner of the property was the SIPP, the trustees of which had to agree to any sale. So, JPL said, at the time of the advice the only part of the SIPP that was readily accessible was the liquid assets which totalled £55,000.

JPL went on to say that Mr E didn't have sufficient savings or a SIPP that would have allowed him to meet his primary objective and that the only way he was able to do so was by transferring his two DB schemes.

Our Investigator wasn't persuaded to change her 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

What follows 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 JPL'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.

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

Financial viability

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 E was aged 55 at the time of the advice and wanted to retire immediately. JPL carried out two transfer value analysis ('TVAS') reports (as required by the regulator) showing how much investment growth (known as the critical yield) Mr E's pension funds would need to achieve each year in order to provide the same benefits as his DB scheme. But as Mr E was intending to retire immediately, the critical yield analysis is of little use because he wasn't going to leave all of his funds invested to a later date. Nevertheless, I do think they add some insight into the value of the benefits would be Mr E giving up if he transferred out of the scheme.

The critical yield required to match Mr E's benefits in scheme 1 at age 55 wasn't cited in the TVAS but was noted by JPL to be in excess of 50% if he took a full pension. No analysis was included for Mr E taking TFC and a reduced pension. The critical yield required to match Mr E's benefits at scheme 1's normal retirement date ('NRD') of 60 was 20.57%. The critical yield required to match Mr E's benefits in scheme 2 at age 55 wasn't cited in the TVAS. The critical yield required to match Mr E's benefits at scheme 2's normal retirement date ('NRD') of 65 was 10.81%. No analysis was included for Mr E taking TFC and a reduced pension.

When the advice was given, the relevant discount rate was 3.4% for 4 years to retirement and 4.1% per year for 9 years to retirement. I've kept in mind that the regulator's projection rates had also remained unchanged since 2014: the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2%.

I've taken this into account, along with the composition of assets in the discount rate, Mr E's moderately cautious/balanced attitude to risk and also the term to retirement. There would be little point in Mr E giving up the guarantees available to him through his DB schemes only to achieve, at best, the same level of benefits outside the schemes. But here, given the lowest critical yields were 20.57% to age 60 and 10.81% to age 65, I think Mr E was likely to receive benefits of a substantially lower overall value than those provided by the DB schemes even if he delayed his retirement to age 60 or 65 and invested the funds until then. Given that Mr E intended to retire immediately, it's clear to me that he'd be worse off overall by transferring out of the scheme.

I've thought too about Mr E's capacity for loss. I note that the suitability report didn't comment conclusively about whether Mr E had any capacity for loss, merely stating that if his fund went down by 15% over the next 5 years he would potentially lose £28,471 which it had '*compared ...with [his] own capacity for loss and have lowered or increased the amount of risk accordingly*'. To my mind, this suggests the adviser understood Mr E's capacity for loss was quite low.

The two schemes being transferred amounted to the majority of Mr E's retirement provision: the deferred pension at NRD for Scheme 1 cited in the TVAS was £5,464 and for Scheme 2 was £4,905. As I've mentioned above, almost half of the SIPP was tied up in an illiquid investment and it appeared to be unclear when Mr E would be able to access to it. The only other pension Mr E had (aside from his state pension) was another DB scheme. I don't have much information about that scheme save for the fact that in 2013 it was predicted to give Mr E an income at (an undocumented) NRD of £2,582.47 together with TFC of £7,765.82. Mr E has recently told us that he started to receive this pension at age 60 and it pays him £3,600 per year.

So I don't think the guaranteed benefits from the two transferred DB schemes were ones that Mr E had the capacity to lose. If it was acting in his best interests, I think JPL should have made that clear to Mr E when it was advising him.

For this reason alone a transfer out of the DB scheme wasn't in Mr E's best interests. Of course financial viability isn't the only consideration when giving transfer advice, as JPL has argued in this case. There might be other considerations which mean a transfer is suitable, despite providing overall lower benefits. I've considered this below.

Flexibility and income needs

Although JPL said Mr E wanted to transfer his pension in order to have flexibility in the way the benefits were paid to him, I don't think Mr E required flexibility in retirement. This is because based on the evidence I've seen, I don't think he had a genuine need to access his TFC earlier than the normal schemes' retirement age, or had a strong need for variable income throughout his retirement. And whilst I note that Mr E needed a lump sum to purchase a motorhome, as I've set out below, he had sufficient funds available to him without transferring his DB scheme to achieve this objective. So, I think Mr E could have left his DB schemes where they were and still have achieved his objective of immediate retirement. I should note here that I understand Mrs E received an inheritance in August 2016 which was used to purchase the motorhome. As I've seen no evidence that the inheritance was foreseen, my findings are on the basis that it was intended to purchase the motorhome from the assets I've set out below.

I can see that the option of taking benefits early from the two DB schemes was discussed and rejected by Mr E on account of the fact they would not provide him with sufficient income if taken early. JPL has said that there was only one way Mr E was able to achieve his primary objective of immediate retirement, despite it exploring alternative options. It said that was to transfer two of his three DB schemes. JPL said the only alternative option to transferring was to continue working and put his health at serious risk. It noted that Mr and Mrs E needed an annual income of £24,000 for the next 10 years until Mr E reached his state retirement age of 66 but that they only had £51,000 in investments, along with Mrs E's personal pension valued at £24,000 (but inaccessible for another 3 years until Mrs E reached the age of 55). I can't see that there was any breakdown of what Mr E needed this amount of income to cover but I see that the fact-find noted that £1,000 a month more than covered their essentials. So, realistically, it seems that an annual income of £24,000 was the maximum amount Mr and Mrs E would need in retirement.

JPL was required to act in Mr E's best interests and, in order to do so, it needed to obtain accurate information about his finances. Mr E has provided us with evidence to show that, at the time of the advice in May 2016, he and Mrs E had the following investments and assets:

- A stocks and shares ISA valued at £20,158.24
- A stocks and shares ISA valued at £10,971.48

- A cash ISA valued at £1,000
- A collective investment bond valued at £51,819.89
- A collective retirement account valued at £30,033.43
- Mrs E's personal pension plan worth £24,274.00
- Shares in the company where he worked worth £50,000
- His SIPP worth approximately £69,000

Total: - £257,257.04

Mr E left his job and retired in December 2016 at the age of 56. He has provided us with his final pay slip where I can see that he was paid £30,000 (net) for his shares as part of his severance package. I understand his SIPP valued at £69,343.72 was transferred shortly after.

It's not clear why JPL failed to note with accuracy the full extent of Mr E's assets and investments when it was completing the fact-find. But I can see from the fact-find that several of the investments I've cited above have been omitted. And I see no reason why Mr E would've withheld this information; I'm satisfied that if the adviser had asked Mr E for a comprehensive list of all of his assets, he would've provided it. And I think JPL needed this information in order to provide him with suitable advice.

Overall, it's apparent to me, given the extent of Mr E's investments, that transferring his two DB schemes *wasn't* the only way for him to fund his primary objective of taking early retirement. I think he could have used his existing investments over the coming years to achieve what he wanted (including Mrs E's personal pension a few years hence had there been need).

I appreciate that, at the time of the advice, the shares and the SIPP were potentially inaccessible. But I've seen no evidence of any exploration by JPL of whether this was actually the case, nor that it suggested to Mr E that he may want to obtain information about his shareholding and SIPP, along with how he could realise their value, before making the irrevocable decision to transfer his valuable DB schemes. And given Mr E retired in December 2016 (having agreed the buyout of his share of the property held in the SIPP with his co-owner) just a few months after the transfer took place, realising his shareholding in the process and managing to transfer his SIPP shortly after, it's not unreasonable to assume that both weren't so inaccessible after all.

Also, as Mr E has told us, he has been in receipt of a pension of £3,600 from his third DB scheme since the age of 60. And, as I mentioned above, DB scheme 1 was also forecast to pay him an income of £5,464 at its NRD of age 60 too. So, Mr E would've needed to take a maximum of £24,000 per year for four years from his existing investments, reducing their value to around £160,000 (assuming no growth above charges). But from age 60, he would have had an annual income of just over £9,000. Whilst this wasn't enough to meet his retirement income needs in full at that point, such an income would have gone a significant way to doing so and would have meant Mr E needed to draw a maximum of around £15,000 per year from his investments to reach his target annual income of £24,000. This would've reduced the remaining pot by around £75,000 by the time Mr E reached age 65. From age 65, Mr E's annual income would have increased further to approximately £14,000 when DB scheme 2 became payable. And once Mr E's state pension became payable at age 66, it's clear his annual income needs would've been met by guaranteed income from his pensions. He'd also likely still have some investment funds left over, even had he had to use his funds to purchase a motorhome at the start of his retirement.

In summary, by age 66 Mr E would have had a guaranteed, increasing income for life not one that was dependent, to a large extent, on investment performance. All whilst having

fulfilled his objective of taking early retirement. So I'm satisfied that JPL didn't provide Mr E with suitable advice to transfer his two DB schemes. I am unable to agree – given the existence of the investments I've listed above – that Mr E had only one option to achieve his objective. I think that Mr E could have achieved his primary objective of immediate retirement by using the assets and investments I've listed above and, from age 60, by also using the income from his DB schemes to meet his annual income need of £24,000.

Death benefits

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 was likely an attractive feature of the transfer for Mr E. And I can see from the suitability report that JPL stated: *"This is a major concern of yours and you wish to safeguard maximum benefits. Immediate spouse's death benefits with both schemes is circa £3180 per annum compared to a transfer value of £189,811 available by providing a flexible lump sum benefit under a personal arrangement."* But I can't see that JPL explained to Mr E that if he lived a long life, or drew down his benefits until his plan was exhausted, that there would be nothing to leave to his wife.

So whilst I appreciate death benefits are important to consumers, and Mr E 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 E about what was best for his retirement provisions. A pension is primarily designed to provide income in retirement. And I don't think JPL explored to what extent Mr E was prepared to accept a lower retirement income in exchange for higher death benefits.

I also think the existing death benefits attached to the DB schemes were underplayed. Mr E was married (and had one dependent child at the time of the advice) and so the spouse's (and dependent's pension from one of the schemes) provided by the DB schemes would've been useful to his wife and dependent child if Mr E predeceased them. I don't think JPL made the value of this benefit clear enough to Mr E. 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, as I've said above, the fund may have been significantly depleted particularly if Mr E lived a long life. In any event, JPL should not have encouraged Mr E to prioritise the potential for higher death benefits through a personal pension over his security in retirement.

Furthermore, if Mr E genuinely wanted to leave a legacy for his wife, which didn't depend on investment returns or how much of his pension fund remained on his death, I think JPL should've instead explored life insurance. I note that JPL said it discussed a whole of life policy with Mr E but I don't know if any quotations were obtained as I've seen no illustrations.

I acknowledge that Mr E was worried that stress was affecting his health and so appears to have had concerns about his life expectancy. But Mr E not reaching his life expectancy was only a possibility – it was also possible that he would exceed his life expectancy, in which case Mr E would need his pension to last longer. If Mr E transferred out of the DB scheme he would be relying on investment returns to ensure sufficient capital remained in the personal pension to provide the death benefits, whereas the spouse's/dependent's pension was guaranteed and escalated.

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 E. And I don't think that insurance was properly explored as an alternative.

Control or concerns over financial stability of the DB scheme

JPL noted that Mr E wanted more control over when and how he could access his pension benefits and that he wanted to hold the benefits in his own name as opposed to having them held by the trustees of the scheme.

But I think Mr E's desire for control over his pension benefits was overstated. Mr E was not an experienced investor and I cannot see that he had an interest in or the knowledge to be able to manage his pension funds on their own. So, I don't think that this was a genuine objective for Mr E – it was simply a consequence of transferring away from his DB schemes.

Suitability of investments

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

Summary

Being able to access TFC along with the flexibility, control and potential for higher death benefits on offer through a personal pension would have sounded like attractive features to Mr E. But JPL wasn't there to just transact what Mr E might have thought he wanted. The adviser's role was to really understand what Mr E needed and recommend what was in his best interests.

It follows that I don't think the advice given to Mr E was suitable. He was giving up a guaranteed, risk-free and increasing income. By transferring, Mr E 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. Mr E shouldn't have been advised to transfer out of the scheme just to fund an immediate retirement that was clearly fundable by other means. And the potential for higher death benefits wasn't worth giving up the guarantees associated with his DB scheme.

So, I think JPL should've advised Mr E to remain in his DB schemes.

Of course, I have to consider whether Mr E would've gone ahead anyway, against JPL's advice. I've considered this carefully, but I'm not persuaded that Mr E would've insisted on transferring out of the DB scheme, against JPL's advice. I say this because Mr E had limited investment knowledge with a moderately cautious/balanced attitude to risk and the two pensions accounted for the majority of his retirement provision. So if JPL had provided him with clear advice against transferring out of the DB scheme, explaining why it wasn't in his best interests and how he could achieve his objective by other means, I think he would've accepted that advice.

JPL has stated that Mr E was determined to transfer his pensions at all costs due to his health concerns. Mr E has said however that whilst he was determined to retire, there were alternative ways of him achieving this that didn't involve him transferring his pension. So I can't say that I've seen any evidence that Mr E would've insisted on going against the advice to transfer had it been given, particularly if JPL had clearly explained how Mr E could achieve his objectives by other means.

And I'm not persuaded that Mr E's concerns about his health were so great that he would've insisted on the transfer knowing that a professional adviser, whose expertise he had sought out, didn't think it was suitable for him or in his best interests. If JPL had explained that Mr E

could meet all of his objectives without risking his guaranteed pension, I think that would've carried significant weight. So, I don't think Mr E would have insisted on transferring out of the DB scheme.

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

JPL 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, my understanding is that Mr E retired in December 2016 aged 56 and could have taken his DB pension benefits without reduction from scheme 1 at age 60 and from scheme 2 at age 65. So if suitable advice had been given and Mr E had remained in his DB schemes until their NRDs, I think he would have most likely accessed them at these points. So, compensation for scheme 1 should be based on the scheme's normal retirement age of 60 and compensation for scheme 2 should be based on the scheme's normal retirement age of 65.

These calculations should be carried out using the most recent financial assumptions in line with 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 E'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 JPL should:

- always calculate and offer Mr E redress as a cash lump sum payment,
- explain to Mr E before starting the redress calculation that:
 - his 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 his redress prudently is to use it to augment his DC pension.
- offer to calculate how much of any redress Mr E receives could be augmented rather than receiving it all as a cash lump sum,
- if Mr E accepts JPL's offer to calculate how much of his redress could be augmented, request the necessary information and not charge Mr E 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 E's end of year tax position.

Redress paid to Mr E as a cash lump sum will be treated as income for tax purposes. So, in line with DISP App 4, JPL 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 E'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 Jewell & Petersen Ltd to pay Mr E the compensation amount as set out in the steps above, up to a maximum of £160,000.

Recommendation: If the compensation amount exceeds £160,000, I also recommend that Jewell & Petersen Ltd pays Mr E the balance.

If Mr E accepts this decision, the money award becomes binding on Jewell & Petersen Ltd.

My recommendation would not be binding. Further, it's unlikely that Mr E can accept my decision and go to court to ask for the balance. Mr E 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 E to accept or reject my decision before 1 June 2023.

Claire Woollerson
Ombudsman