DRN-4048702

The complaint

Mr O complained about advice he was given to transfer the benefits of a defined-benefit (DB) occupational pension scheme to a personal pension plan, in 2010. He says the advice was unsuitable for him and believes this has caused him a financial loss.

JLT Wealth Management Limited is responsible for answering this complaint. I've seen also that Mr O himself is represented by a third-party company. To keep things simple I'll refer mainly to "JLT" and "Mr O" when mentioning either party.

What happened

As I'll explain more about later, this was a relatively small pension and one which Mr O was a deferred member of. The pension originated from having been employed previously with a company between 2002 - 2005. It seems the trustees of the DB scheme wrote to deferred members like Mr O in late 2009 explaining it was looking at ways to manage its long-term pension commitments.

The company decided to offer enhanced terms to members who chose to transfer their benefits to a personal pension scheme. Members of the DB scheme were also being offered regulated financial advice, the cost of which was being met by Mr O's former employer. JLT was contracted to provide that advice. Information gathered about Mr O's circumstances were broadly as follows:

- Mr O was 39 years old, co-habiting with a partner and with two financially dependent children. He was in good health.

- By the time of the advice, which was in 2010, Mr O had become self-employed and was earning around £75,000 per year. He owned a home and a second investment property. Their total value was around £450,000. Around £260,000 of this was mortgaged.

- He had some modest savings and non-secured debts which seemed under control. Mr O had another personal pension, which was also small, which was a defined contribution (DC) scheme.

- The cash equivalent transfer value (CETV) of Mr O's DB pension at the time was around £14,500 and the normal retirement age (NRA) was 65. A cash enhancement of 25% on top of the CETV (around £3,600) was being offered if he transferred away.

- Mr O's options were to keep the pension where it was and effectively do nothing. Alternatively, he could transfer away to a new personal pension arrangement and invest both the CETV *and* the enhancement in the new personal plan. He could also transfer away, but only invest half the CETV into a personal plan. In this case the remainder 50% of the enhancement would be taken as cash and used by Mr O as he saw fit.

JLT set out its advice in a suitability letter on 3 February 2010. It advised Mr O to transfer out of his DB scheme and into a personal plan. JLT said this was based upon the assumption that he could either invest the full transfer value, including the enhancement. Or he could take the part-enhancement as a cash payment and invest only the remainder amount in funds within a personal pension plan. Mr O agreed that he wanted to transfer out and he wanted to use the enhancement to add to his savings. So, he transferred from his DB scheme to a personal pension shortly thereafter. He immediately took the part-enhancement of around £1,815 as cash.

I've noted that in 2021 JLT carried out an internal review of which Mr O's DB pension transfer was a part. The review concluded that the fund Mr O eventually transferred into in 2010 when he moved away from his DB scheme wasn't in accordance with its fund recommendation. Agreeing therefore, that Mr O may have lost out on growth as a result of this fund selection, it offered to pay Mr O £1,964. JLT says this represents the difference between the fund he ultimately invested his transferred funds into, and the one he ought to have invested in.

It seems that Mr O then raised a complaint to JLT about its advice, saying he shouldn't have been advised to transfer out of his DB scheme at all. In response, JLT said it was acting on the financial objectives Mr O had at the time.

Mr O then referred his case to our Service in 2022. One of our investigators looked into the complaint and said it should be upheld. JLT hasn't agreed with this and made a number of points in response to what our investigator said.

Mr O wants me to make a final decision about the transfer complaint.

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 also 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). 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 JLT'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.

I have further considered that the regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6 that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, JLT should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr O's best interests.

I've used all the information we have to consider whether transferring away from the DB scheme to a personal pension arrangement was in Mr O's best interests. Overall, I don't think transferring was in his best interests, so I'm upholding Mr O's complaint.

Financial viability

JLT referred in its transfer recommendation to 'critical yield' rates. 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 benefits as the DB scheme. The critical yield is part of a range of different things which help show how likely it is that a transferred personal pension fund could achieve the necessary investment growth for a transfer-out to become financially viable.

In its suitability report, the JLT adviser said that the critical yield required to match the benefits of the DB scheme he was in at the time, at his NRA of 65, was 7%. To be clear, this figure represented the scenario of Mr O transferring the CETV *plus* half of the enhancement offer. The critical yield for re-investing the CETV and the whole enhancement offer was 6.5%

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.

The relevant discount rate published by the Financial Ombudsman Service for the period was 6.9% per year for 25 years to the NRA (age 65), which is very similar to the critical yield figures I've mentioned above. I think it was clear Mr O was interested in taking the part-enhancement as cash. And so I think that by using only this comparison, one could reasonably say that matching the critical yield was achievable.

However, I need to look at the individual circumstances of this case closely. For example, I've also kept in mind that the regulator's upper growth projection rate at the time was 9%, the middle projection rate was 7%, and the lower projection rate was 5%. This is important in this case, because Mr O himself ticked on a form that he had an "adventurous" approach to risk. So, if investing his transferred pension into a type of 'money market' fund, I don't think that adopting an assumed growth towards the regulator's upper projection would have been unreasonable – and this means there could have been a credible possibility of exceeding the critical yield figures. This is because the regulator's upper projections were higher than the critical yield rates.

However, our investigator thought JLT's categorisation of Mr O as an "adventurous" investor was too high. They said his investment experience wasn't clear enough to justify this and that his other financial assets indicated he might have only a low capacity for loss.

I've given careful thought as to whether Mr O would have really understood the implications of this ATR selection, rather than him just ticking a box about what he thought he wanted without being able to draw on relevant experience to help him. JLT says the investigator set the bar too high when saying they didn't think Mr O really had such a high ATR. It said, for example the investigator was, "*implying that unless a client is either a stockbroker/financial expert or holds a significant portfolio they are unable to take more than a balanced level of risk"*.

But I think all this needs some explanation. Firstly, I think it's important to bear in mind that when the ticking of an ATR box comes from the client, I'd still expect to see the adviser assessing the chosen category and using their professional judgement and experience to make sure it was realistic. And when selecting a higher category of risk, I'd expect to see some context around it. I think it's fair to say, for instance, that selecting a higher category would be somewhat uncommon. But more so, I'd also expect to see that such a client had some basis for choosing this and that they had some relevant experience to draw upon, especially when moving a 'safe' DB pension into a money market fund.

In this case, the adviser simply didn't record any such context or evidence. In fact, there's no suggestion Mr O had any similar investments – his £5,000 savings were described as being in cash and a further £12,000 was in an ISA. I've taken this to be a cash ISA since we know Mr O eventually paid the part-cash enhancement into this. I've also seen nothing suggesting his DB pension was invested in higher risk funds or stock. Here would have been a good opportunity for the adviser to substantiate the "adventurous" ATR selection by referring to similar investments held within his other DC scheme. Or the adviser might have referred to any wider investing experience Mr O had or why he was prepared to invest in "adventurous" funds. But this wasn't recorded and so I've nothing to show he had any experience to draw upon – or that his DC funds weren't just invested in low risk, balanced or managed funds which required little or no personal involvement from Mr O. I've further noted that the fund recommendation from JLT was for a 25% allocation to a balanced fund. The adviser said, *"we would recommend that you invest 25% in the* ['x'] *Fund to match your balanced attitude to risk, and 75% in* ['y'] *Index Fund to match your adventurous attitude to risk"*. I think this is unclear as to what ATR the adviser was actually targeting.

So, whilst I'm mindful of JLT's assertion that we may be somewhat risk averse in our approach to these things, I don't think this is right. And in this situation, there's simply no evidence that Mr O really had a realistic ATR at the "adventurous" level. JLT asked me to consider his investment property business interest. But I don't think this adds anything. Investment in a property is a different scenario entirely and I don't think there's a direct link between this and adventurous money market fund investments. In any event, I think the adviser should have evidenced their thinking behind this categorisation more clearly, particularly as this was Mr O's pension.

As for his capacity for loss, I think our investigator was right to highlight the issue. I do accept, however, that Mr O was on an apparently high income – and I accept he did have some savings. I agree with JLT when it says now that Mr O probably could have tolerated some losses. But I still don't think this changes anything as regards the risk appetite which seems confused and unclear. As regards his "high" income at the time, the problem is that we don't really know what his precise financial commitments were as these weren't recorded. I think it's reasonable to say he had two mortgages for instance. So, whilst I note he was earning £75,000 I think this was his *total* income, and his outgoings may also have been high. Again, the adviser failed to set out enough information to show he would have had a substantial enough *disposable* income to justify the potential to invest aggressively and perhaps incur occasional losses in doing so.

I've also been asked to consider the equity in his properties when considering a capacity for loss. On paper this read like he had £190,000 – a buffer if you like - to absorb losses. But again, the adviser failed to be clear and seems to have taken shortcuts. By this I mean the individual values of his main and investment properties were not listed on the 'fact-find'; only the total combined value was. And I think it's unlikely that Mr O would have been considering selling down his main residence as a means of supplementing his retirement income or making up losses in investments. Downsizing can indeed support retirement income; but to suggest a 39-year-old with two very young children was incorporating his main residence being sold to partly pay for his retirement planning isn't credible in my view, and it's certainly not recorded that way, from documents used at the time.

The investment property equity will have been a different prospect although again the adviser didn't really consider this comprehensively. This is because the individual equity wasn't listed – but if releasing equity in the second property was a strategy, then clearly this would involve selling the asset and thus losing the rental income. Given Mr O's overall pension provision was so modest, I think it's fair to assume the rental income was something he envisaged being a constituent part of a retirement income.

So, overall I also think the ATR category was pitched too high. As can be seen above, I've considered it with care. But the adviser simply didn't go into enough detail to set out just how Mr O would manage financially in retirement.

All this means that I think the likelihood of Mr O eventually receiving lower benefits in his retirement, as a result of transferring this particular pension to a personal plan, were quite high. This is because I think the categorisation of him as an adventurous investor, in these particular circumstances, wasn't reasonable given the lack of supporting evidence. And this means achieving growth close to the critical yield of 7% may about just have been possible, although in my view still slightly more unlikely than likely.

I say this because the discount rate was 6.9% and the regulator's 'mid' growth projection – a more appropriate category I'd say – was 7%. However, I think there would be little point in transferring away from a DB scheme only to achieve financial benefits of a similar nature when substantial guarantees and benefits would also be lost. I also think that achieving growth of over 7%, year-on-year, for over 25 years until his NRA was unlikely.

Of course, according to JLT, its recommendation that he should transfer out to a personal pension was not based on the financial comparisons with his current scheme alone. Rather, JLT said Mr O had additional reasons to transfer away, so I've thought about all the other considerations which might have meant a transfer was suitable for him.

I've considered these below.

Other reasons given for the transfer advice

I've used the documentation from JLT at the time to help list some of the themes the recommended transfer-away was based on. Mr O considered the following things important to him:

- *"You would like a cash sum now, at the cost of sacrificing future benefits, so that you can invest in an ISA*

- *The fund benefits do not represent a significant proportion of your potential retirement funds*

- *Your dependents will receive significant sums on your death before retirement*

- *You would prefer to move your pension to an individual plan which is under your control*

- *The ability to take a tax-free lump sum at your normal retirement date is important to you*

- *When you retire you want your pension to increase to provide some protection against inflation".*

JLT said also said, in its recommendation section, that the transfer should go ahead for the following reasons:

- *"Transferring will give you an immediate cash sum of £1,815 which you want now to invest in an ISA*

- *Transferring will provide you with more overall flexibility and personal control over your pension fund which is important to you*

- *Transferring may provide a higher level of tax-free cash at retirement which is important to you".*

So, as well as being the only way to access the cash enhancement there and then, it seems the broader supporting reasons that JLT recommended the transfer out to a personal pension was for the flexibility and control it offered to Mr O.

In some respects, the objectives for the transfer and the language used in the suitability report was somewhat generic and I think the adviser could and should have done a better job at really pinpointing their rationale for what they were recommending that Mr O ought to do.

- *The cash enhancement*

I can see JLT has pointed out that our investigator wasn't clear when mentioning about a "tax-free" cash element and investing this in an ISA. I think that's right, as the View issued by the investigator implied that Mr O would receive a tax-free lump sum.

What I think the investigator actually meant was that the enhancement offer was a 25% uplift of the CETV, if Mr O accepted it. The only way Mr O could gain access to the 25% incentive was to transfer away from his DB scheme. Half of this enhancement could be taken as a cash payment and the other half re-invested in the new personal pension plan. Mr O didn't receive any tax-free cash in the way normally associated with pensions as he wasn't yet old enough to do that.

However, I think the JLT adviser should have been stepping in at this point. If Mr O was saying that he'd like to accept the enhancement of £1,815 then this came with certain disadvantages. The first is that this was subject to income tax and national insurance (NI). I do acknowledge that Mr O was probably told this, but if he'd either not transferred – or indeed reinvested it in his new pension – he'd not pay either tax or NI. The plan was also to invest it into his ISA, which would still have meant tax and NI was payable before investing it in the wrapper.

I don't think there's any clear evidence why the adviser would consider this recommendation as being in Mr O's best interests. There's no suggestion he needed this money and we know that in 2010 interest rates were very low. So, I think the likelihood was that this amount would grow very little in the foreseeable future. Of course, this was still a payment Mr O wouldn't have got had he not transferred away from the DB scheme. But the adviser needed to balance this by thinking about the wider consequences of leaving the DB scheme. In all likelihood, this cash enhancement was a small amount of money for Mr O as it would have represented only around 2½% of his annual gross income. Investing in an ISA wasn't a good rationale for transferring away from a DB scheme and so placing this at the top of the recommendation objectives was, in my view, wrong.

Instead, think the adviser should have been emphasising the rationale for transferring away from his DB scheme for such a trivial amount wasn't worth it. And at the very least, the adviser could have also emphasised the tax-free environment which pensions enjoyed. In short, there was no sensible case for using this cash as a positive reason for transferring away. It was a short-term and inefficient gain, which would be offset by longer term losses to Mr O's retirement savings.

- *flexibility and personal control*

I think the implication that Mr O could have more flexibility and control over his pension funds, moving forward, was no more than a 'stock' objective used to help justify the overall transfer recommendation. I say this because 'flexibility' was poorly defined here and I've seen no evidence Mr O had either the desire or capacity to manage this pension fund.

I start from the premise that Mr O was so long away from retirement as to make a case for flexible income no more than pure speculation. In the documents from the time, Mr O picked a 'round figure' of £30,000 annually as being his required income in retirement. But in my view this couldn't be anything more than guesswork. For him, the age of 65 was still over 25 years away and so neither he, nor JLT, could have any idea what his circumstances might be. So there was no case for flexibility.

Even if I were to consider that flexibility emerged in the intervening years, then Mr O could have reassessed this when he was much nearer retirement age. It's also wrong to assume these types of pension have no flexibility at all. Early retirement is often possible under DB schemes as there is an ability to either take – or not take - a tax-free lump sum. Essentially though, no substantive case was made out for the need for flexibility and if the adviser thought there was one, then they should have explained why.

As for wanting control of the pension, I'm afraid I can see no evidence of this. The reality here is that we can't really be sure what Mr O's retirement strategy was – although when providing regulated retirement advice around a pension, this is probably a good time to have recorded it. But Mr O's pension planning looked uncertain. He was approaching 40 and still had only very moderate pension provision. So, if the adviser was promoting that he should take control of the funds I think they should have also included some details of what this looked like and what the objectives were. As I mentioned earlier, there's no evidence Mr O was experienced in investment matters to the extent that transferring this DB scheme to a money market fund was merited. It was already managed for him by trustees: by moving away from this he would be required to manage and monitor his investments and there is every likelihood the charges and fees involved would have been higher.

So, I haven't seen any evidence why a 39-year-old would need to gain the flexibility or control over their pension in the way implied here. Our investigator also pointed out, quite rightly, that future growth couldn't be guaranteed whilst Mr O's DB pension was.

- *tax-free cash at retirement*

It was implied on the suitability report that transferring may eventually provide a higher level of tax-free cash at retirement and that this was important to Mr O. In my view, this was a generic and again, a 'stock' objective of no real relevance to Mr O's situation. He was still 25 years from the NRA and so, in my view, couldn't realistically know what his plans yet were.

It was true, however, that Mr O would likely be able to access 25% of his pension as a lump-sum at some point (currently this is at the age of 55). And it's usually the case that more tax-free cash can be often accessed from a personal pension when compared against a DB scheme; this is because the values and benefits of the two schemes are calculated differently. But JLT should have been telling Mr O at the time that any extra tax-free lump sums being removed from a personal pension, potentially from his late fifties in his case, also came with consequences in that the amount left for his later retirement years would obviously decrease.

But again, I take account of the small size of this pension. Of course, it's possible the "*tax-free cash at retirement"* issue was not really an objective or rationale for transferring, it was simply a statement of fact, albeit a rather inappropriate one to make at that juncture. I can think of no reason why the adviser included it where they did.

- *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. In this case it's not entirely clear how much the death benefits found in the DB scheme were a prominent feature in the advice. JLT did include this issue, however, in the suitability report (under issues important to Mr O). This said, *"Your dependents will receive significant sums on your death before retirement"*.

I can't say whether, or to what extent, the death benefits issue influenced Mr O's decision to transfer away. But he was still only 39 years old and in good health. I think this advice pre-dated when the entire value of a pension in a personal scheme could be passed on upon death tax-free but I think Mr O's DB scheme death benefits were still of use. Although not married at the time, he may have married in the future. And I think Mr O's dependent children could have received some benefits from the scheme if he died. It wasn't made clear why he'd want to give these up.

- *Other issues*

I've noted Mr O told JLT that when he retired, *"you want your pension to increase to provide some protection against inflation".* This was specifically recorded on the suitability report. In my view, the advice to transfer did the opposite of this. I do accept this was a small pension, but it was nevertheless guaranteed and benefited from annual indexation. Obviously transferring to a higher risk money market fund provided no such protections for him.

<u>Summary</u>

Mr O's case is not straightforward and has individual features that need to be carefully considered. For example, the pension involved was relatively small. The CETV was around £14,500 and the annual pension quoted was £2,707. But this referred to what he would likely get in 2035 when he reached the age of 65. And so, in the context of 'today's prices' this would have meant a modest pension, albeit a guaranteed one for life.

I also think it's important to note that Mr O's *overall* pension provision at the time was relatively modest for a man of his age and wider financial circumstances. As well as his small DB scheme, this also comprised of an existing small DC pension fund of around £12,000. So, I think it's fair to say his total pension provisions thus far were unlikely to come close to meeting his anticipated financial needs in retirement without stepping up the contributions substantially. Of course, this may have been part of Mr O's plan although it's not recorded as such on the suitability report. I've also noted and considered the additional property investment which I assume may also have been intended to complement his later life savings / income.

So, on one hand, I think it's possible to speculate that what Mr O was thinking at the time is that this DB pension really wasn't worth much. He was also being offered a small cash enhancement to exit the DB scheme and one could say he may have just wanted to try and grow his limited pension resources as "adventurously" as possible by investing in these types of more risky funds. He may well have concluded that the DB pension was small enough to merit this kind of risk and if he lost some money, then the loss wouldn't be material.

However, on the other hand, I think it's unhelpful that the adviser in this case did a poor job at identifying what Mr O's retirement objectives and needs really were. The recommendation the adviser made simply focussed on a series of 'stock' objectives which didn't really relate to Mr O. There was no evidence that the cash enhancement of £1,815 was of much use to Mr O. He didn't appear to need such a moderate sum at the time and all he did with it was to invest in a low interest ISA; and he incurred a tax and NI bill in so doing. There was also no evidence Mr O needed any flexible features in his pension, nor was there any case made out for him specifically wanting to take personal control of the funds. The loss of death benefits in the DB scheme were less relevant although by leaving the scheme Mr O's two children could potentially lose something if he died.

But the bigger risk here was transferring away from a guaranteed, indexed-linked pension at the age of just 39. Neither Mr O nor JLT could possibly say what his retirement would look like and so the much more suitable option was to remain in the scheme until much nearer retirement age. I think it's possible he didn't place a high importance on pensions generally, as he had another form of income generation. But nevertheless, I think by retirement he could have complemented his property income with his own DC scheme, which did have flexible elements, and which he could have continued to contribute towards in the future, between the ages of 40 – 65 for example. And a further complement to his provision was with his existing DB scheme which provided the security and certainty DC schemes tend to lack. I think if more suitably advised, Mr O would have seen why this diversity of schemes would have best suited his needs.

Putting things right

A fair and reasonable outcome would be for JLT to put Mr O, as far as possible, into the position he would now be in but for the unsuitable advice. I consider Mr O would have most likely remained in the occupational pension scheme if suitable advice had been given.

JLT 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.

Compensation should be based on the scheme's normal retirement age of 65, as per the usual assumptions in the FCA's guidance.

This calculation should be carried out 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 O'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, JLT should:

- calculate and offer Mr O redress as a cash lump sum payment,
- explain to Mr O 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 O receives could be augmented rather than receiving it all as a cash lump sum,
- if Mr O accepts JLT's offer to calculate how much of their redress could be augmented, request the necessary information and not charge Mr O 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 O's end of year tax position.

Redress paid to Mr O as a cash lump sum includes compensation in respect of benefits that would otherwise have provided a taxable income. So, in line with DISP App 4, JLT 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 O's likely income tax rate in retirement – presumed to be 40%. So making a notional deduction of 30% overall from the loss adequately reflects this.

Where I uphold a complaint, I can award fair compensation of up to £170,000, 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 £170,000, I may recommend that the JLT pays the balance.

My final decision

<u>Determination and money award</u>: I uphold this complaint and I direct JLT Wealth Management Limited to pay Mr O the compensation amount as set out in the steps above, up to a maximum of £170,000.

<u>Recommendation:</u> If the compensation amount exceeds £170,000, I also recommend that JLT Wealth Management Limited pays Mr O the balance.

If Mr O accepts this decision, the money award becomes binding on JLT Wealth Management Limited.

My recommendation would not be binding. Further, it's unlikely that Mr O can accept my decision and go to court to ask for the balance. Mr O 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 O to accept or reject my decision before 30 June 2023.

Michael Campbell

Ombudsman