DRN-4112102

The complaint

Mr L complains about the advice given by Radcliffe & Company (Life & Pensions) Limited ('Radcliffe') to transfer the benefits from his defined-benefit ('DB') occupational pension scheme along with two defined-contribution ('DC') pensions, to a self-invested personal pension ('SIPP'). He says the advice was unsuitable for him and believes this has caused a financial loss.

What happened

Mr L approached Radcliffe in 2018 to discuss his pension and retirement needs. Mr L was prompted to seek advice because one of his colleagues had recently died leaving his partner with a reduced pension and nothing for his children – Mr L didn't want the same thing to happen to his family.

Radcliffe completed a fact-find to gather information about Mr L's circumstances and objectives. Amongst other things this recorded that Mr L was married; he was 55; he was employed; he owned his own home; he had three pensions – one of which was a DB scheme - he wanted to review; he was looking to retire at age 60 if affordable – he needed at least £1,000 a month; and death benefits were a major concern of his. Radcliffe also carried out an assessment of Mr L's attitude to risk, which it deemed to be 'low medium' – a score of four out of ten.

On 16 April 2018 Radcliffe advised Mr L to transfer his DB and DC pension benefits into a SIPP and invest the proceeds using the services of a discretionary fund manager ('DFM'). The suitability report said the reasons for this recommendation were that Mr L was looking to retire early at age 60 and it was important for him to have the ability to draw his pension benefits flexibly according to his future needs. Mr L also wanted to provide death benefits for his dependants. Radcliffe also recommended that because Mr L was contributing to one of his DC pension schemes, he should leave the plan open to receive the ongoing contributions. It said once the funds had built up each year a further transfer to the new SIPP would be made.

Mr L accepted the recommendation and around £233,000 was transferred to his new SIPP and invested in line with the recommended strategy.

Mr L complained to Radcliffe in 2022, via a representative, about the suitability of the transfer advice. Mr L said he believed the advice he received was negligent and as a result he'd suffered a loss.

Radcliffe didn't uphold Mr L's complaint. It provided a substantive response – but in summary it considered the advice it provided to Mr L was suitable - it met his needs, objectives and aspirations despite the risks, which it made Mr L fully aware of and he agreed to. It said it didn't believe Mr L had suffered a financial loss.

Mr L then referred his complaint to our service. An investigator upheld the complaint and required Radcliffe to pay compensation. In summary they said given the growth rate or critical yield required to match Mr L's DB scheme benefits it was likely he would receive substantially lower overall retirement benefits as a result of transferring and investing in line with his attitude to risk. They said Mr L had no firm retirement plans and he didn't know what his expenditure in retirement was likely to be so he shouldn't have been advised to give up his guaranteed benefits at this time. They also said there was nothing to indicate Mr L needed flexibility or a variable income in retirement; death benefits shouldn't have been prioritised over Mr L's security in retirement; there was nothing to suggest Mr L needed control over his pension; and there was no genuine reason for Mr L to be concerned about the financial stability of his DB scheme. So they didn't think it was a suitable recommendation for Mr L to transfer out of his DB scheme.

They went on to explain that given the higher charges Mr L would incur by transferring his DC schemes to the recommended investment strategy, together with the fact that they weren't persuaded Mr L's DC schemes were invested unsuitably given his attitude to risk, they thought Mr L was better off leaving his DC pensions where they were.

Radcliffe didn't respond to the investigator's opinion. So because things couldn't be resolved informally, 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

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 Radcliffe'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. My reasons are set out below.

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, Radcliffe should have only considered a transfer if it could clearly demonstrate that the transfer was in

Mr L’s best interests. And having looked at all the evidence available, I’m not satisfied it was in his best interests.

Transfer of Mr L’s DB scheme

Financial viability

Radcliffe carried out a transfer value analysis report (as required by the regulator) showing how much Mr L’s pension fund would need to grow by each year in order to provide the same benefits as his DB scheme (the critical yield).

The advice was given after the regulator gave instructions in Final Guidance FG17/9 as to how businesses could calculate future 'discount rates' in loss assessments where a complaint about a past pension transfer was being upheld. Prior to October 2017 similar rates were published by the Financial Ombudsman Service on our website. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, they provide a useful indication of what growth rates would have been considered reasonably achievable for a typical investor.

Mr L was 55 at the time of the advice and he indicated he wanted to retire at 60 if it was affordable. The critical yield required to match Mr L’s benefits at age 60 was 21% if he took a full pension and 16% if he took tax-free cash and a reduced pension. Radcliffe also produced figures based on Mr L’s scheme’s normal retirement age of 65 – the respective yields were 12% and 10%. The critical yields to match the benefits available through the PPF at age 60 were quoted as 11.8% per year if Mr L took a full pension and 10.2% per year if he took a reduced pension. And at 65 they were 6.6% and 5.8% respectively.

The relevant discount rate closest to when the advice was given which I can refer to was published by the Financial Ombudsman Service for the period before 1 October 2017, and was 3.0% per year for four years to retirement (age 60) and 3.7% per year for nine years to retirement (age 65.) 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 L’s assessed ‘low medium’ attitude to risk and also the term to retirement. I can see the investigator considered Mr L was a low-risk investor. But I think whether Mr L was a ‘low’ risk investor or a ‘low medium’ risk investor, given the definitions on Radcliffe’s attitude to risk scale, I think more broadly Mr L can be considered a cautious investor.

In my view there would be little point in Mr L 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, based on Mr L’s target retirement date of age 60, the lowest critical yield was 16%. And at age 65 it was still 10%. Given this, I think Mr L 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 a low medium attitude to risk. The returns required were significantly above both the discount rate and the regulator’s upper projection rate.
In my view, to have even come close to achieving the level of return required would’ve required Mr L to take significant investment risk – and even then I think it’s likely Mr L would be no better off by transferring. I don’t think the position was very different if the scheme moved to the PPF .

I can see from the suitability report that Radcliffe believed it was more appropriate to use reasonable assumed future investment returns because Mr L wasn’t considering an annuity purchase on retirement. Radcliffe produced analysis which showed that by taking the same level of income at age 60 as Mr L's DB scheme provided within a flexible drawdown, to have sufficient funds until age 85, Mr L needed an investment return of 3.7% a year.

But Radcliffe's analysis was based on taking the same level of income as Mr L's DB scheme would provide. As I said above, there would be little point in transferring to achieve a position no better than if Mr L had remained in his DB scheme. So If Mr L took a higher income, it would've required a greater level of investment return or Mr L would've run out of money sooner. I'm also mindful that this analysis did not take into account any stress testing for periods of poor performance to show the effect this would have on Mr L's fund. So I'm not persuaded this demonstrates the financial viability of the transfer.

For this reason alone a transfer out of the DB scheme wasn't in Mr L's best interests. But I accept that 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. I've considered this below.

Flexibility and income needs

Mr L indicated that he wanted to retire at age 60 if it was affordable. Radcliffe recommended Mr L transfer his pension because of this and because it was important to him to have the ability to draw his pension benefits flexibly - i.e. to vary his income according to his future needs.

But I've not seen anything to show that Mr L had made any firm plans at this stage such that Mr L would've understood that he needed flexibility – so I can't see why it was important to him. I also don't think he had a strong need for variable income throughout his retirement. It's recorded in the fact-find that Mr L didn't have a set target income – his income need was purely based on meeting his current expenditure of £1,000 a month. So it's clear that Mr L hadn't yet given this any detailed thought. And I can't see that Radcliffe considered this in any detail. No detailed income and expenditure in retirement analysis was carried out to determine what Mr L's likely income need would be or whether he truly had a need for a variable income. It therefore didn't help Mr L answer the important question of whether retiring at 60 was affordable for him.

I accept Mr L was likely keen to retire early – I think if asked most people would say the same thing. But Radcliffe's role wasn't simply to facilitate a customer's objective and what Mr L might have thought he wanted. Mr L's desire to want to retire early didn't outweigh Radcliffe's responsibility to provide him with suitable advice and act in his best interests.

I don't think Radcliffe should have advised Mr L to transfer out of his DB scheme, giving up guaranteed benefits in doing so, for the possibility of him being able to retire early when I don't think he had concrete plans to do so at this stage and when Radcliffe hadn't established whether it was realistic or affordable for him. Because of this I'm not persuaded Mr L had a genuine need for flexibility in how or when he took his pension benefits, or that it was a real objective at this stage – I think it was simply a consequence of transferring out to a different arrangement.

Notwithstanding this, it appears Mr L already had a degree of flexibility in how and when he accessed some of his pension benefits – so he didn't need to transfer his DB scheme to achieve this. Mr L didn't have a retirement income target – but his current expenditure was recorded as being £1,000 a month. If Mr L took benefits from the DB scheme at 60, according to Radcliffe's analysis he would be entitled to an annual income of around £8,300 – albeit another document it has provided shows an annual income of around £8,600. This would not have met Mr L's £1,000 a month expenditure need. But I still think Mr L had a better chance of achieving things by remaining in the DB scheme until his state pension became payable.

Mr L had two DC schemes, one of which he and his employer were contributing to. The value of this pension was around £25,000 at the time. And based on another five years' contributions (to age 60) based on Mr L's annual income at the time, this would've added another £10,000 or more. So not accounting for growth, this could've been worth upwards of £35,000. Mr L's other DC scheme had a value of just under £15,000. So at age 60 Mr L would have a combined flexible pension provision of £50,000 or possibly more. If Mr L did want to retire at 60, I think he could've achieved things by taking income and/or lump sums from these pensions to supplement the income from his DB scheme – he already had the option of early retirement through his scheme. And I think this would've likely enabled him to meet his income need – at least until his state pension became payable. Of course if Mr L delayed his retirement until 65, with an expected DB scheme income of around £11,500 a year, there was greater potential for Mr L to meet his retirement income by adopting this approach.

Ultimately, Radcliffe had to determine whether giving up the secure, guaranteed benefits available through Mr L's DB scheme was in his best interest. And for the reasons above, I don't think Radcliffe did act in Mr L's best interests – I don't think the recommendation to transfer was suitable.

Death benefits

The advice paperwork records that Mr L was keen on providing death benefits for his family – this appears to be one of the key reasons he sought advice.

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 to Mr L – particularly given what had happened to his friend and colleague. But whilst I appreciate death benefits are important to consumers, and Mr L 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 L about what was best for his retirement provisions. A pension is primarily designed to provide income in retirement – it is not a legacy planning tool. And I don't think Radcliffe properly explored to what extent Mr L 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 scheme were underplayed. Mr L was married and so the spouse's pension provided by the DB scheme would've been useful to his spouse if Mr L predeceased him. I don't think Radcliffe made the value of this benefit clear enough to Mr L. This was guaranteed and it escalated – it was not dependent on investment performance, whereas the sum remaining on death in a personal pension was. So if investment returns were lower than expected and/or Mr L lived a long life, there might not be much left to pass on anyway. In any event, Radcliffe should not have encouraged Mr L to prioritise the potential for higher or different death benefits through a personal pension over his security in retirement.

Furthermore, if Mr L genuinely wanted to leave a legacy for his family, which as I've already said appears to have been his motivation for seeking advice in the first place, and which didn't depend on investment returns or how much of his pension fund remained on his, I think Radcliffe should've instead explored life insurance. And it needn't have been the case that the sum assured had to be based on the combined transfer value – that would assume Mr L would pass away on day one following the transfer, which although possible, wasn't likely. The starting point ought to have been to ask Mr L how much he would ideally like to leave to his spouse and/or children, and this could've been explored on a whole of life or term assurance basis, which was likely to be cheaper to provide. I've not seen anything to show or suggest this wasn't affordable for Mr L, so I think this should've formed part of Radcliffe's advice and recommendation.

Overall, I don't think different death benefits available through a transfer to a personal pension arrangement justified the likely decrease of retirement benefits for Mr L. And I don't think that insurance was properly explored as a viable alternative.

Concerns over financial stability of the DB scheme

The advice paperwork refers to Mr L's concerns about the funding position of his DB scheme – the suitability report says: "*You have confirmed that you have serious concerns regarding the financial stability of the pension scheme therefore you wish to break all ties...and would prefer to move your funds away from them."*

I'm not persuaded that the funding of his previous employer's DB scheme was in a position such that Mr L should have genuinely been concerned about the security of his pension. But it was Radcliffe's role to give Mr L an objective picture and recommend what was in his best interests. I think to allay any concerns Mr L might have had, Radcliffe could've better explained the role of the PPF and that even if the scheme did end up moving to it, this needn't have been a concern for Mr L. As I've explained above, Mr L was still unlikely to match, let alone exceed the benefits available to him through the PPF if he transferred out to a personal pension arrangement.

So I don't consider Mr L's concerns about the future funding position of the DB scheme justified the recommendation to transfer.

Use of DFM

Radcliffe recommended that Mr L use a DFM to manage his pension funds. As I'm upholding the complaint on the grounds that a transfer out of the DB scheme wasn't suitable for Mr L, it follows that I don't need to consider the suitability of the investment recommendation. This is because Mr L should have been advised to remain in the DB scheme and so the DFM would not have had the opportunity to manage his funds if suitable advice had been given.

Transfer of Mr L's DC pensions

Part of Radcliffe's advice included Mr L transferring his two DC pension scheme benefits to the SIPP. But I don't think this was necessary or was suitable advice for Mr L in the circumstances. My reasons for this are essentially two-fold.

Firstly, because the intended investment management of Mr L's funds was utilising the services of a DFM, the charges Mr L incurred were higher. The advice paperwork shows that Mr L was currently being charged annual management charges of 0.24% on one pension and 0.47% on the other. By transferring Mr L would incur the DFM's annual charge of 0.70% plus VAT (a minimum of £250 per quarter), the SIPP fee as well as the ongoing advice fee.

This meant that, according to Radcliffe's analysis, Mr L's new SIPP would have to outperform his existing DC schemes by 1.10% a year and 0.90% a year respectively just to match the projected growth rate of 2.44% (net) to age 65. So to exceed the expected growth would require consistent returns in excess of that. In my view this was unlikely to consistently be achieved given Mr L's low medium attitude to risk and the term to retirement.

Secondly Mr L already had flexibility in how he ultimately took the benefits from his DC schemes. So he wasn't gaining anything here by transferring.

I'm mindful too that Mr L's DC schemes were invested in 'lifestyle' type strategies, where the level of investment risk reduces the closer to retirement in an attempt to preserve capital and growth and avoid large fluctuations in values. In my view Mr L's existing funds in terms of asset class and the percentage allocated to them was not significantly out of line with the attitude to risk he'd indicated he was prepared to take such that there was benefit in moving them. I'm also mindful that Radcliffe doesn't appear to have been too concerned with the fund choice of Mr L's employer DC scheme because they recommended Mr L maintain it to receive his contributions and allow the funds to build up each year before making a further transfer.

In any event, Radcliffe noted that Mr L had a not insignificant range of investment funds he could choose to switch into within the existing plans. So if Radcliffe believed there was a risk profile mismatch and Mr L would benefit from a switch, I think it could've advised him on using these alternative funds, which would've been at a lower cost to Mr L.

For these reasons I don't think the recommendation to transfer Mr L's DC pensions to a SIPP using a DFM was suitable - I think he was better off leaving them where they were.

Summary

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

Ultimately, I don't think the advice given to Mr L was suitable. By transferring his DB scheme benefits he was giving up a guaranteed, risk-free and increasing income. By transferring, Mr L 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. I don't think Mr L should've been advised to transfer out of the scheme for flexibility and because of Mr L's desire to retire early when he had no firm plans or idea about his income needs at this stage. And the potential for higher death benefits wasn't worth giving up the guarantees associated with his DB scheme. I also don't think Mr L was better off by transferring his DC pension benefits to a SIPP either given the extra charges he'd incur as a result and the term to retirement.

So, I think Radcliffe should've advised Mr L to remain in his DB scheme and leave his DC pensions invested where they were.

Of course, I have to consider whether Mr L would've gone ahead anyway, against Radcliffe's advice.

I've considered this carefully, but I'm not persuaded that Mr L would've insisted on transferring out of the DB scheme, against Radcliffe's advice.

I say this because I've seen nothing to indicate Mr L was an experienced investor who possessed the requisite skill, knowledge or confidence to go against the advice they were given, particularly in complex pension matters. Mr L had a fairly cautious approach to investment risk and his pensions accounted for all of his private retirement provision. So, if Radcliffe had provided him with clear advice against transferring out of his DB and DC schemes, explaining why it wasn't in his best interests, I think he would've accepted that advice.

I'm not persuaded that Mr L's concerns about his death benefits and the financial standing of his DB scheme were so great that he would've insisted on the transfer knowing that a professional adviser, whose expertise he had sought out and was paying for, didn't think it was suitable for him or in his best interests. If Radcliffe had explained that Mr L could likely meet all of his objectives without risking his guaranteed pension or incurring higher charges on investing his DC pension funds, I think that would've carried significant weight. So, I don't think Mr L would have insisted on transferring out of the DB and DC schemes.

In light of the above, I think Radcliffe should compensate Mr L for the unsuitable advice, using the regulator's defined benefits pension transfer redress methodology.

Putting things right

My aim in awarding redress is to put Mr L as far as possible in the position he would be in now if Radcliffe had given him suitable advice. I think Mr L would have remained in the DB scheme. I also think, more likely than not he would have retained his existing personal pension arrangements.

What should Radcliffe do?

To compensate Mr L fairly, Radcliffe must determine the ***combined fair value*** of his transferred pension benefits as outlined in Step One and Step Two below. If the ***actual value*** is greater than the ***combined fair value***, no compensation is payable.

fair value – step one

If Mr L had been given suitable advice, I think he would have remained in the DB scheme. Radcliffe must therefore calculate the value of the benefits Mr L lost as a result of transferring out of his DB scheme 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, Mr L has not yet retired, and he has no plans to do so at present. So, the calculation should be based on his normal retirement age of 65, as per the usual assumptions in the FCA's guidance.

This calculation should be carried out 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 L's acceptance of the decision.

fair value – step two

Radcliffe should compare the value of Mr L's SIPP with the notional value of both of the DC pensions to determine the fair value of Mr L's defined contribution pensions if suitable advice had been given.

The notional value is the value of the defined contribution pensions if they had remained with the existing provider. Radcliffe should request that the provider calculate these values.

In the event that it isn't possible to obtain any notional value from the provider involved, Radcliffe should compare the total value of the DC pensions transferred to the SIPP with that of the benchmark shown below to determine the fair value of Mr L's DC pensions if suitable advice had been given.

Investment name	Status	Benchmark	From ("Start date")	To ("end date")	Additional interest
Value of the DC pensions transferred	Still exists	For half the investment: FTSE UK Private Investors Income Total Return Index; for the other half: average rate from fixed rate bonds	Date of investment	Date of my final decision	

To arrive at the fair value when using the fixed rate bonds as the benchmark, Radcliffe should use the monthly average rate for one-year fixed-rate bonds as published by the Bank of England. The rate for each month is that shown as at the end of the previous month. Those rates should be applied to the investment on an annually compounded basis.

Any additional sums paid into the SIPP should be added to the fair value calculation from the point in time when they were actually paid in. Any withdrawal, income or other payment out of the SIPP should be deducted from the fair value at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there are a large number of regular payments, to keep calculations simpler, I will accept if Radcliffe totals all those payments and deducts that figure at the end instead of deducting periodically.

The combined value of the sums produced by the above two steps is the ***combined fair value***.

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

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

Redress paid to Mr L 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, Radcliffe 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 L'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.

The payment resulting from all the steps above is the 'compensation amount'.

Why is this remedy suitable?

I've decided on this method of compensation because:

- Mr L wanted Capital growth with a small risk to his capital.

- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to his capital.

- The FTSE UK Private Investors Income total return index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It's a fair measure for someone who was prepared to take some risk to get a higher return.

- I consider that Mr L's risk profile was in between, in the sense that he was prepared to take a small level of risk to attain his investment objectives. So, the 50/50 combination would reasonably put Mr L into that position. It does not mean that Mr L would have invested 50% of his money in a fixed rate bond and 50% in some kind of index tracker investment. Rather, I consider this a reasonable compromise that broadly reflects the sort of return Mr L could have obtained from investments suited to his objective and risk attitude.

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 business pays the balance.

My final decision

Determination and money award: I uphold this complaint and require Radcliffe & Company (Life & Pensions) Limited to pay Mr L the compensation amount as set out in the steps above, up to a maximum of £170,000.

Recommendation: If the compensation amount exceeds £170,000, I also recommend that Radcliffe & Company (Life & Pensions) Limited pays Mr L the balance.

If Mr L accepts this decision, the money award becomes binding on Radcliffe & Company (Life & Pensions) Limited.

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