

The complaint

Mr and Mrs M have complained about several aspects of the service they have received from IFPC Limited trading as IFPC WEALTH MANAGEMENT (IFPC), regarding the bond they invested in through them. In particular, they are unhappy with the performance of the bond, the fees they have paid and delays they say they experienced upon surrendering it.

What happened

Mr and Mrs M invested £15,000 into an investment bond, following the recommendation of IFPC in April 1990.

Mr and Mrs M say that the value of this investment was £40,293 in December 2010 and £41,011 in March 2016.

IFPC say that Mr and Mrs M entered into a discretionary management service through them (where they are able to make investment decisions on behalf of Mr and Mrs M). However, they say that offers to meet weren't replied to between 2016 and 2020, to discuss circumstances and ensure the investment remained suitable.

Mr and Mrs M say they contacted IFPC in March 2022 asking for a meeting before the end of the financial year. They say the meeting didn't happen when they wanted and they were unhappy when they found out the value of the investment was £40,922 in April 2022. They decided to surrender it and received the proceeds in September 2022.

They complained to IFPC, who responded to try and explain the performance of the investment and the fees that had been charged.

Mr and Mrs M brought their complaint to our service for an independent review. Our investigator looked into it. She said that any complaint issues from 9 March 2016 or earlier were out of time and both parties accepted this. This includes performance and fees prior to then. She also said that the fees charged were fair and disclosed clearly and that IFPC weren't at fault for any meetings not going ahead or any delays in surrender.

As no agreement was reached, the case has been passed to me for a 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.

Many points have been made in relation to this complaint – I've tried to set out the key issues I think are important here. And I've answered them below in turn.

The investigator has clarified that concerns regarding fees paid prior to March 2016 can't be considered and both parties accepted this. She also clarified that these fees were management fees and not commission fees. The sale dates back to 1996 and hasn't been complained about directly. I haven't seen anything from the file to raise particular concern

about it.

2022 financial year meeting request

The investment was within a discretionary management service between Mr and Mrs M and IFPC. However, I can see that between 2016 and 2020, despite IFPC writing to Mr and Mrs M to arrange a meeting (so they could advise if this investment remained suitable), there is no evidence of a reply to these requests.

Mr and Mrs M did request a meeting on 9 March 2022, before the end of the 21/22 tax year.

IFPC have provided evidence that they called Mr and Mrs M to discuss this on 15 March 2022. I have been provided with an email from Mr M which confirmed a discussion and a further meeting in due course. I am satisfied this shows that Mr M was happy at this time with the course of action being taken.

Performance and Fees

Mr and Mrs M are unhappy that the performance of the investment wasn't in line with their expectations from 2016 until surrender. Whilst I understand this, I can't uphold a complaint for poor performance of an investment. I have looked at whether IFPC did enough to address this and check the suitability of the investment for Mr and Mrs M, and they made requests from 2016 to 2020 to meet so they could consider this. I think they did enough here.

Mr and Mrs M have also complained about the fees they have been paying, the impact they have had on the investment and whether they were made clear to them at inception. Having reviewed the file and evidence provided, I think they were made clear and IFPC were entitled to charge them.

Mr and Mrs M signed the forms at inception to pay IFPC 1% per annum. This was made clear and this is what was charged.

There was some confusion around the provider's fee. Due to the amount of time that has passed, we don't have evidence from inception regarding an agreement for this fee. However, I agree with the latest position of the investigator that as Mr and Mrs M have been paying a 1.25% fee here, then I am satisfied they agreed to it and it should have been clear to them as they have been paying it for over thirty years. There's nothing to suggest to fee isn't fair and I can't say they weren't aware of it.

Delays with surrender

Mr and Mrs M have also complained about the delays they experienced with the surrender of the investment. Having given the instruction on April 2022 and not receiving the proceeds until September 2022.

IFPC have satisfied me that they instructed the plan provider to surrender it, very quickly upon the request on 6 April 2022. The investments were then sold on 11 April 2022 and sat as cash within the bond.

From the evidence provided to me, it appears that delays from this time were due to issues with the surrender forms issued by the provider directly. Forms were re-sent at one point and not returned again until September 2022 (shortly before payment). Overall, I don't believe

IFPC made any errors that delayed the surrender.

In summary, I don't think IFPC are at fault here and they have acted fairly. Whilst I appreciate the performance of the investment hasn't been as expected, I can't hold IFPC responsible for that. The fees they charged were fair and made clear. I also don't hold them responsible for a further meeting in 2021/22 or the delays in receiving the surrender proceeds.

My final decision

My final decision, for the reasons set out above, is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 23 February 2024.

Yoni Smith
Ombudsman