DRN-4156641

The complaint

Mr U complained that he was given unsuitable advice to transfer his defined benefit (DB) Occupational Pension Scheme (OPS), to a type of personal pension plan.

Quilter Financial Services Ltd is now responsible for answering this complaint. To keep things consistent throughout this final decision, when referring to the business, I'll refer mainly to "Quilter".

What happened

Mr U approached Quilter in 2020 to discuss his pension and retirement needs. Quilter completed a 'fact-find' to gather information about Mr U's circumstances and objectives. Information gathering and discussions then took place over several months and his circumstances of that time were as follows:

- Mr U was 60 years old and married; he was in good health. His wife, Mrs U, wasn't working but was 55 and also in good health. They still had one dependent child aged 16 at the time.

- Mr U was a deferred member of a DB scheme having previously worked for a company until the late 1990s. As of early 2020, the cash equivalent transfer value (CETV) was around £274,805 (a further value was recalculated in August 2020, and the final transfer value was £296,675).

- Mr U earned around £65,000 per year in his current job and had a small defined contribution (DC) pension associated with this employment. Neither Quilter nor Mr U himself could say what the exact balance of this was at the time. But Mr U estimated this DC scheme would have had around £5,000 in it. Both he and his employer were contributing at the respective rates of 5% and 3%. This pension isn't the subject of any complaint.

- Mr and Mrs U didn't own a property as they lived in rented housing. They had £5,000 each in savings described as being for emergencies. According to information collected by Quilter, they had no other investments or assets.

Quilter set out its advice about Mr U's pensions in a suitability report it issued on 5 April 2020. It advised him to transfer out of his deferred DB scheme and take a tax-free lump sum to buy a property to live in. Quilter said he should invest the rest of the funds in a personal pension fund. It categorised Mr U's attitude to risk (ATR) as "dynamic".

Mr U first complained to Quilter about its advice in 2022. In response, Quilter denied it had done anything wrong and said it had acted on Mr U's objectives at the time. He then referred his case to our Service. One of our investigators looked into it and said the complaint should be upheld.

Quilter still doesn't agree. So, as the complaint couldn't be resolved informally, it's come to me for 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 all 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 Quilter'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, Quilter should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr U's best interests..

I've therefore used all the information we have to consider whether transferring to a new personal pension arrangement was in Mr U's best interests.

I don't think it was, so I'm upholding Mr U's complaint.

Financial viability

To demonstrate the financial comparisons between his current DB scheme and transferring out to a personal pension arrangement, Quilter referred in its transfer analysis to a 'transfer value comparator' (TVC).

The TVC is essentially a measure of what sum of money a consumer would need to buy an annuity providing equivalent benefits to the DB scheme at retirement. The idea is to give consumers a lump-sum figure which can be compared directly with their CETV.

In its transfer analysis Quilter said the TVC was £452,289. This figure is clearly substantially above the CETV which was only £274,805 at the time. So, in my view, the TVC provides a revealing window into just how much Mr U could be giving up by leaving his DB scheme.

I also considered the 'critical yield' rate. This was also recorded on the transfer analysis. The critical yield is the average annual investment return that would be required on the transfer value - from the time of advice until retirement - to provide the same benefits as the DB scheme. It too, is therefore part of a range of different things which help show how likely it is that a personal pension arrangement could achieve the necessary investment growth for a transfer-out to become financially viable. In its transfer analysis Quilter said the critical yield required to match Mr U's DB scheme benefits at the normal retirement age (NRA) of 65, was 15.13% if taking all the benefits in a pension form. If taking a reduced pension and tax-free lump-sum, the critical yield was 10.83%

The advice was also 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.

In Mr U's case, the relevant discount rate closest to when the advice was given was only 3% (for a retirement at age 65). This is substantially below the critical yield figures I've set out above and so it implies that exceeding the critical yield was not reasonably achievable.

I've also kept in mind that the regulator's upper projection rate was 8%, the middle projection rate was 5%, and the lower projection rate was 2%. So again, this implies that exceeding the critical yield rate of around 15% was almost certainly not achievable.

I have further considered that Quilter assessed Mr U's ATR as "dynamic". However, I think Mr U's ATR was categorised much too high by the adviser. Quilter stands by its ATR categorisation, it said it followed an industry-wide assessment protocol when assessing his ATR, and that given some of the questions about risk Mr U answered, it fails to understand what else it could have done.

However, by Quilter's own guidance information, a dynamic investor would need to have investment experience and *"high levels of financial knowledge."* They would typically be someone who would have used a range of investment products in the past. They would also be willing *"to take risk with most of their available assets"*. In my view, this was inappropriate for Mr U; there was simply no evidence that he had personally used any similar investment products in the past, such as money market investment funds. He had no such independent investments at that time and I've seen his small DC pension was most likely an auto-enrolment scheme where the investments were pre-determined for most members. I've also noted that on the 'fact-find' the adviser themselves noted Mr U was an inexperienced investor. So, to be clear, there was no justification for categorising Mr U as a dynamic investor.

Whatever questions about theoretical investment risks Mr U answered on a form, the adviser's job was to assess this and come to a realistic judgement. Mr U had no apparent investment experience to call upon when answering these questions. This was also a man who had reached the age of 60 and for whatever reason, didn't own a home. His pension provisions, although certainly better than some, were projected to pay him a comfortable, but not a substantial, annual amount. With this in mind, and with his emergency savings, I think Mr U's limited capacity for loss was also something that needed to be borne in mind. Any transferred funds would also have much less time to iron out investment peaks and troughs, due to Mr U's age. So, I think all this demonstrates a more 'hands-off' approach rather than the "dynamic" criteria the adviser applied - a much lower ATR was warranted in these circumstances.

However, in my view, even this failure if it were put right, wouldn't have made any difference to the financial viability of transferring away from his DB scheme. This is because everything

I've said above still shows there was a strong likelihood of Mr U receiving inferior and lower overall benefits as a result of leaving the DB scheme anyway. The TVC was showing the very high cost of buying what Mr U already enjoyed with his existing DB scheme. The critical yields were also substantially above what he could reasonably expect to grow a personal pension fund by, especially in a period of sustained lower growth and ultra-low interest rates.

I've also considered the financial models put forward by Quilter. These variously set out some scenarios that might see Mr U having the annual pension he might need well into his retirement years if he transferred to a personal scheme. However, the money ran out in these models at various points depending on which one was applied. And these certainly didn't compare like-with-like: various assumptions were used and the valuable benefits and guarantees were lost to Mr U by transferring away. Alternatively, we know that his DB pension would have lasted his whole life.

As I've said, I think there was every reason to think that Mr U would receive lower overall pension benefits when he took retirement as a result of transferring away from the DB scheme. There would be little point in transferring if this were the case so I think this should have showed that transferring, from a financial perspective, was not right for Mr U. But of course, these straightforward financial comparisons aren't the full story here. This is because Quilter's recommendation that he should transfer out to a personal pension wasn't wholly based on the growth comparisons with his current scheme alone. Rather, Quilter focussed on what it saw were the wider benefits in transferring away from the scheme. These were mainly focussed on what Mr U's apparent objectives were. I've considered these issues below.

<u>*Other reasons for transferring*</u>

I've used a combination of what was in Quilter's recommendation report in April 2020 and the various client information forms it completed about Mr U, to help determine what Quilter said were the main objectives for transferring out of the DB scheme. Quilter said the reasons for its recommendation to transfer away from his DB pension were as follows:

- Mr U wanted to use part of his CETV as a deposit of approximately £68,000 to purchase a new home valued at approximately £240,000.

- Mr U wanted to be able to take his pension flexibly, as this was likely to be surplus to requirements.

- Mr U wanted to ensure that his wife would be fully supported in the event of his death and didn't want a high value of his pension funds to be lost.

It therefore seems Quilter's recommendation to transfer his DB scheme to a personal plan was broadly focused on the flexibility this offered to Mr U. Much of the flexibility referred to was based on a combination of him buying a home using the 25% tax-free lump-sum allowed and investing the remainder to grow with inflation.

- *The case for buying a new home*

In making his complaint now, Mr U has said that he had a desire, rather than a need, to buy a new home. This is a substantial basis for bringing the complaint – that the transfer just wasn't necessary and he didn't buy a home.

I don't think there's any doubt that the subject of using Mr U's pension to fund buying a home was discussed. But there's no evidence that this was part of an advanced or formulated 'plan'. The suitability report said Mr U planned to go on working until he was aged 70. It said he wanted to buy a home for approximately £240,000 the deposit for which would come from transferring his pension and taking an immediate tax-free lump-sum of around £68,000. It said Mr U could seek a mortgage with a 10-year term which would mean he'd pay it off around him fully retiring, at the age of 70.

However, I've already made reference to Mr U's overall pension provisions being relatively moderate. So, I think it was important here that these funds would be used as efficiently as possible. In reality, there was no new home yet identified. And so, the *estimate* of £240,000 as a purchase price was, in my view, no more than that. I've also noted that the amount of deposit Mr U apparently wanted to put down for a purchase, coincided almost exactly with the maximum allowed from the 25% tax-free lump-sum.

Because no property had yet even been identified, there was no recording of where the property might be located. However, I've made the assumption that with a dependent child still at home, and no mention of him leaving his current job, the new house would be located near to where he lived at the time. I think the location is relevant because Mr and Mrs U lived in an expensive part of the country and one where I think £240,000 wouldn't have gone very far. Against this backdrop then, evidence shows that to afford this, Mr U would need to remain fit and able to work in full-time employment until he was at least 70 years old if he was to afford to buy a local property. We also know their youngest child was still only 16 years old, so I think there was a reasonable expectation that the property would need to be big enough for at least three people.

Looking at all these facts, I therefore think that any reasonable degree of inquisitiveness (from the adviser) would have exposed these aspirations as being somewhat flawed. I say this because everything was pointing to the costs of buying a reasonable family home being higher than those set out above. And as I've said, the fact that Mr U was saying he needed more or less the exact tax-free lump-sum available for a deposit should have raised an alarm that what he was proposing might not be either affordable or realistic.

Of course, it's possible that using the whole tax-free lump-sum element might have just about supported a purchase of £240,000 when considering all the associated taxes and fees. But this left virtually nothing for unforeseen costs. I've noted the adviser accepted, also without further inquiry, that Mr U could access his emergency savings to help with a house purchase. I think this too indicated he was coming up short of what was needed to buy a family home.

However, not only was there no actual property identified, but there was also no mortgage offer in place. Nor was there even a mortgage enquiry for the adviser to refer to, to see if all this was reasonable. In fact, I think there's some good evidence recorded in the documentation I've been sent showing that the adviser wasn't entirely comfortable with this lack of factual information about buying a house. I say this because they themselves remarked about there being no mortgage 'agreement in principle' present. The adviser also noted that a mortgage might be declined. And of course, as a consequence of this, the pension lump-sum (and therefore the pension transfer) wouldn't be required at all.

So, in my view, the obvious risks here were that the reasons given for transferring away from the DB pension – and certainly the viability of the so-called 'plan' to buy a house – were not mature reasons to the extent that warranted Mr U leaving his DB scheme. What was actually being proposed here was for Mr U to irreversibly leave his DB scheme on the basis of an unrealistic financial plan to buy a home, yet to be even identified or properly costed. I think it's also fair to reiterate that there was likely some complexity around Mr U even getting the mortgage suggested. Mr U was approaching his 61st birthday and we know Mrs U didn't work. So, I don't think the house purchase 'plan' was properly costed or thought through, from a number of perspectives.

I do accept Mr and Mrs U may have resented paying monthly rent, rather than having a home they owned, as I understand this rent was relatively high. But again, the cost demonstrated the expensiveness of the area in which they lived and it should have raised concerns from the adviser about buying a family home for a ceiling price of £240,000 with so little known about it. The adviser was unable to see any costed plan associated with what Mr and Mrs U wanted to do. In this context, the recommendation to transfer away was based on incomplete and indeed, unrealistic information. And as far as I know, there was no reason why Mr and Mrs U *had* to buy a property.

In my view, there was an opportunity here for the adviser to challenge Mr U on whether his aspirations were even achievable given the financial resources he had at the time. A challenge in these circumstances would have been entirely reasonable in attempting to get what was best for Mr and Mrs U overall. But the adviser also failed to assess other options; mainly ones that might have included remaining in the DB scheme. In short, what happened here is that Mr U went to Quilter with some preconceived ideas. There's no doubt these were important to him, but the adviser simply approached this situation with a view to transacting what Mr U wanted, rather than providing advice that was in his overall best interests.

- *Flexibility*

In the suitability report, the adviser said the following about the remaining funds in Mr U's pension after he'd used the circa £68,000 to help buy a home.

> *"As you do not require an income from your pensions at this time, you would like your pension funds to be invested in a manner which at least keeps pace with inflation. You would like to move your final salary scheme to a new pension provider, which offers a modern approach and a wide range of funds.*

As I've said, Mr U wasn't experienced in these matters. There's certainly no indication that he either had the capacity or desire to manage his own funds. So everything I've seen indicated that Mr U would need help managing the £200,000 or so that remained invested after the recommended transfer. There's no indication what the adviser meant by a *"modern approach"* and in my view this was portraying Mr U's existing scheme in a negative dimension. In fact, I think Mr U would have found the size and complexity of the remaining funds something he required help with, from a financial adviser. The documents reflect discussions about this and the ongoing charges Mr U would have to pay. The costs of the *"Regular Review Service"* would need to be met by way of a deduction from his overall fund. For the services described, an annual fee of 0.75% would be deducted each year. In Mr U's case this would amount to over £1,500 a year.

On the other hand, Mr U's existing DB scheme didn't have these same types of charges. I think the overall costs of membership of the DB scheme would have been very low and the scheme was overseen for him by trustees. I think this more suited Mr U's approach.

I also don't think Mr U required financial flexibility from his retirement funds implied in the suitability report. We know, for example that at the age of 65 Mr U would have been able to take an estimated lump-sum of around £53,806 from his DB scheme if he wanted. This would have enabled an annual pension of £8,070. Alternatively, he could have drawn a full pension with no lump-sum. At £11,658 this was close to what Mr U thought he might eventually need in retirement and he and Mrs U were evidently due state pensions in their mid-60s.

We also know there was some flexibility to draw benefits from the DB scheme earlier than the age of 65. As this would have involved accessing the pension for longer, I do accept the benefits would have looked quite different. But, as I've said, it doesn't look like the alternatives of remaining in the DB scheme were really discussed or analysed. I have looked carefully at everything we have from the time of this advice and I don't think this ever came into focus; the discussions were simply based on Mr U leaving his DB scheme.

- *Death benefits*

In this case, it's difficult to assess to what extent the death benefits in Mr U's DB scheme were discussed. As I've pointed out, the main rationale for the transfer advice was for Mr U to apparently buy a property by accessing his DB tax-free lump-sum once transferred. But 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. Given what Mr U said about Mrs U not having any personal pension of her own and the need for her to have some money passed on to her if he died, I think the lump sum death benefits on offer through a personal pension were likely made to look like an attractive feature to Mr U.

However, I think it's highly likely the DB scheme's death benefits were significantly underplayed by the adviser. These were guaranteed and they escalated – they were not dependent on investment performance, whereas the sum remaining on death in a personal pension was. The death benefits with Mr U's DB scheme were also good and I think would have been of great comfort to Mrs U from a financial perspective. If Mr U died either before or after accessing the scheme's benefits, then Mrs U would have received some financial benefits - up to half his pension in retirement, for example. With no personal pension of her own, I can see she was five years younger than Mr U. I therefore think these benefits would have been of use to her.

Also, the main purpose of a pension is to fund a retirement and there may not have been anything left for Mrs U to inherit in a personal plan at all if Mr U transferred out of his DB scheme. This would have been particularly true if Mr U went on to live a relatively long life and exhausted the funds.

I can't say the extent to which life insurance was discussed although I see it probably was. But basing a quote on a life policy on his whole CETV, assuming Mr U could die soon after taking it out, would only have produced a very expensive quote. It's implied that Mr U already had some life insurance and as he also had a DC pension scheme which he intended to continue contributing towards. Mr U could have nominated his wife as the beneficiary of this in the event of his death. If he'd predeceased Mrs U relatively early therefore, this would have ensured his whole pension funds provisions didn't just die with him. In such a scenario, Mrs U would have received different financial benefits, from both a DB and DC schemes.

Other issues

Quilter says that close to the culmination of advising him, it sent some information to Mr U which required him to confirm his understanding. Quilter says this reply shows he understood the advice and accepted the risks.

I've considered this issue with care. However, as I've said, Mr U was not experienced in these matters. I think it's reasonable to say that he went to Quilter with the expectation that he'd be correctly advised based on the adviser's experience and knowledge. Whether he accepted certain risks doesn't change the fact that the adviser specifically and clearly recommended that he ought to transfer away from the DB scheme. And as I've explained, that advice was unsuitable and based largely on incomplete information.

Quilter has also asked me to consider that several months after transferring, Mr U declared that he wanted to 'cash-in' the remainder sums in the 'new' personal pension arrangement. This apparently amounted to over £230,000 and Quilter says it demonstrates his dynamic ATR and his intention to use all the pension money to purchase a home.

Again, I've considered this. But this was after the advice which Quilter provided, to transfer away from his DB scheme. It therefore does not change the unsuitability of the original advice and in any event, such considerations only became possible as a consequence of Quilter's unsuitable transfer advice in the first place. If the money hadn't transferred, Mr U wouldn't have asked to take it all out.

Quilter recommended that upon transferring his DB pension, Mr U should invest in certain funds. As I'm upholding his complaint on the grounds that a transfer out of the DB scheme wasn't suitable, it follows that I don't need to consider the suitability of the investment recommendation. This is because Mr U should have been advised to remain in the DB scheme and so the investments in the funds wouldn't have arisen if suitable advice had been given.

Summary

In this case, Quilter's main rationale for recommending that Mr U should transfer away from his DB scheme was to buy a property.

Mr and Mrs U were in rented accommodation and had an aspiration to buy their own home, if somewhat relatively late in life. I have no doubt that Mr and Mrs U considered renting to be unnecessarily using up their finances every month, and that buying a new home may have been something they had genuinely aspired to do for some considerable time. So, when they first approached the Quilter adviser, I'm sure that using Mr U's pension to achieve their goal was high on their agenda.

However, it was Quilter which was the regulated party here. The adviser's job wasn't simply to transact what Mr U thought he wanted. Their job was to really understand his and Mrs U's circumstances and advise what was in their best interests.

Ultimately, I think the advice was unsuitable. What Quilter advised Mr U to do was to irreversibly transfer away from his DB scheme. The plan was to immediately take 25% of his funds as a tax-free lump-sum and invest the rest in a fund to grow for the future. However, in my view, the ATR applied to Mr U was wrong and the analysis carried out clearly demonstrated that Mr U would likely end up with lower pension benefits as a result of transferring. I think the adviser failed to properly explain these issues to Mr U and there was no case made for transferring based on these financial comparisons alone. In fact, the opposite was true and Mr U should have been told this clearly.

As for any other reason for recommending the pension transfer, this was mainly based on the sole reason of buying a home. I think this reasoning was also flawed. No home had yet even been identified and so the amounts required were all supposition. As I've explained, Mr U's upper affordability limit for buying a property seemed at odds with his and Mrs U's need for a family home in an expensive area. In addition to this, no mortgage had been identified and no due consideration was given for the potential of a mortgage being declined, or the upper affordability limit being too low.

I also explained, that whilst Mr U had a reasonable amount saved for his retirement, there was limited room for manoeuvre when considering buying a home. In my view, these plans simply weren't thought through and they certainly didn't justify transferring away from Mr U's DB scheme, something he wouldn't be able to reverse.

Mr U's DB scheme also had good guarantees and good death benefits. In retirement, the DB pension was uplifted every year (within certain upper limits). And as Mrs U had no pension of her own I think the death benefits would have been of use if Mr U passed away before her. I think the adviser underplayed the importance of this and allowed Mr U to think he'd be able to pass on a large pension fund, tax-free, to his family members if he died. In fact, the outcome was always likely to be much more complex than Mr U had been allowed to think and in any event, he already was able to pass on certain assets in the event of his death.

I accept Quilter gave Mr U a certain amount of information. The adviser estimated his financial needs in retirement and made Mr U aware of the financial benefits and guarantees he'd be giving up. Nevertheless, the advice was still firmly that he should transfer away. Understandably, Mr U relied on that advice, which he was paying a significant amount for.

There were other things I think the adviser could have discussed. These might have included delaying buying a home or using his existing DB scheme to fund it a different way. However, it's not my role to set out all the potential advice that could have been given here. But I do think Quilter ought to have advised him against transferring out of his DB scheme.

In light of the above, I think Quilter should compensate Mr U for the unsuitable advice. It should use 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 U**,** as far as possible, into the position he would now be in but for the unsuitable advice. I consider Mr U would have most likely remained in the DB pension scheme if suitable advice had been given.

Quilter 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, 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 U'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, Quilter should:

- always calculate and offer Mr U redress as a cash lump sum payment,
- explain to Mr U before starting the redress calculation that:
    - the 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 U receives could be augmented rather than receiving it all as a cash lump sum,

- if Mr U accepts Quilter's offer to calculate how much of their redress could be augmented, request the necessary information and not charge Mr U 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 U's end of year tax position.

Redress paid to Mr U as a cash lump sum will be treated as income for tax purposes. So, in line with DISP App 4, Quilter 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 U'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 £375,000, 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 £375,000 I may recommend that the business pays the balance.

My final decision

<u>Determination and money award</u>: I uphold this complaint and I direct Quilter Financial Services Ltd to pay Mr U the compensation amount as set out in the steps above, up to a maximum of £375,000.

<u>Recommendation:</u> If the compensation amount exceeds £375,000, I also recommend that Quilter Financial Services Ltd pays Mr U the balance. If Mr U accepts this decision, the money award becomes binding on Quilter Financial Services Ltd.

My recommendation would not be binding. Further, it's unlikely that Mr U can accept my decision and go to court to ask for the balance.

Mr U 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 U to accept or reject my decision before 9 August 2023.

Michael Campbell
Ombudsman