

The complaint

Mrs T complains about the way Private Office Asset Management Limited (POAM) managed her investment account. In particular, she says they sold a cash holding she wished to retain and accused them of 'churning' other shares she held.

What happened

Mrs T says POAM acted on her behalf on an advisory basis with her investment account, between 2019 and 2022.

In September 2022, she complained to POAM. In particular, she said that her whole portfolio had been sold down twice (between August 2021 and January 2022 further to March 2020) causing large trading fees. She also said shares were sold, only for the proceeds to be reinvested in similar shares. She suggested POAM had been 'churning' her investments. Mrs T also complained that POAM had sold a cash holding she has in US dollars and GBP sterling, without her consent.

POAM responded to Mrs T. They said the account activity was necessary and suitable. They denied 'churning' investments or selling holdings they had been asked not to.

Mrs T remained unhappy and brought her complaint to our service for an independent review. Our investigator looked into it, he said any changes to the portfolio were appropriately reasoned and justified. He also felt the reduction in cash was also a suitable recommendation as it was to purchase funds for a great return objective and still left sufficient cash reserve.

Mrs T didn't agree. She raised several points in response to the view, including:

- If the advisor made changes to her portfolio as they felt she had a high exposure to equities, they are responsible for getting her in that position.
- Maintained that there had been 'churning'.
- Half the portfolio had been sold in August 2021, prior to being bought back and this was done without the full required sign off.
- Losses were exacerbated by the trades between August 2021 and January 2022.
- USD assets were sold despite clear instruction not to.
- The portfolio was sold down in March 2020, without her authorisation.

The Investigator responded to Mrs T and reiterated that the only points this service could consider at this time, were ones that had already been raised with POAM. This included the argument of 'churning' and the sale of the USD assets.

As no agreement was reached, the case has been passed to me to reach 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 haven't addressed each one individually. Instead, I've focused on what I consider to be the pertinent points. That isn't meant as a discourtesy, it simply reflects the informal nature of our Service. I've set out the key issues I think are important here. And I've answered them below in turn.

As the Investigator explained, I can only consider complaint points that have already been raised with POAM and where they have had an opportunity to consider and respond to them.

Sell down of portfolio/ 'churning' between August 2021 and January 2022

When considering a complaint, I am deciding if the business clearly did something wrong or made a mistake, not whether they might have done things differently considering hindsight (such as a different recommendation). In this case, I am satisfied that the advice given during this time was suitable.

POAM have said they were asked prior to August 2021 to act for Mrs T, through her international advisor, to help improve the returns that were being generated. I have seen evidence of regular video meetings between the parties, which POAM say were attempted to be held bi-weekly. The evidence also shows this was done on an advisory basis, rather than discretionary. Which means that each of the recommendations needed to be presented and then signed off.

The first portfolio rebalancing recommendation was from the beginning of August 2021. POAM state that Mrs T had ended up with a 98% exposure to equities, which they felt was not in line with her risk profile and was causing too much volatility. I have reviewed the rebalancing recommendations for this period and up to and including January 2022. I am satisfied that they were in an attempt to rebalance Mrs T's portfolio and I haven't seen sufficient evidence to conclude they were an attempt to 'churn' and generate fees. I also note that each recommendation was agreed to by Mrs T and her international adviser.

Sale of USD assets

Mrs T has also said that POAM sold down her USD assets despite her request not to. However, having reviewed the file and all information provided by both parties, I haven't seen a clear instruction here. There was an email from Mrs T's international advisor to POAM from the beginning of August 2021 which states, *"please don't sell too much of the dollar currency"*. However, I don't have any further evidence of any stricter or more implicit request.

POAM say all recommendations, including selling currency assets, was done with Mrs T's objectives in mind and because they felt they needed to do this to produce better returns, whilst leaving sufficient cash reserve in line with Mrs T's risk profile.

Mrs T and her international advisor was presented with all recommendations to sign off and agreed to all USD sales. If this was such a firm requirement of theirs, I would have expected them to have questioned the rebalancing recommendations, but I haven't seen any evidence of this. I know they have said that the recommendations were presented in GBP sterling. However, Mrs T was experienced with these recommendations (and had the support of her international adviser). I would have expected them to have been aware that

the rebalancing of the cash assets would include USD and to have questioned it, but they didn't.

In summary, I am satisfied with the reasoning given by POAM that the trades they recommended between August 2021 and January 2022, were an attempt to rebalance Mrs T's portfolio and meet her investment needs and objectives. I haven't seen sufficient evidence they were an attempt to 'churn' and generate fees. All trades were presented as a recommendation and agreed to by Mrs T through her international adviser. I also haven't seen sufficient evidence of a clear mandate by Mrs T of how much USD asset she wanted to maintain. I couldn't fairly conclude POAM went against a request here and I am mindful that these trades were also presented as recommendations, justified through rebalancing and agreed to.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 26 April 2024.

Yoni Smith
Ombudsman