

The complaint

This complaint relates to the service provided by St. James's Place Wealth Management Plc ("SJPWM") to Mr and Mrs G and their sons.

Ordinarily I'd use something like "Mr G" to refer to a complainant, in an effort to preserve anonymity when my decisions are published on the Financial Ombudsman's website.

But here I have more than one person who could be described as "Mr G". So I'm going to use a different labelling system, based on the connections between the people involved.

I'll refer to the father and mother of the other people involved as "Mr G" and "Mrs G".

One of their sons had a power of attorney for Mr G – I'll refer to them as "FA" for father's attorney. Similarly, another son had power of attorney for Mrs G – I'll refer to them as "MA" for mother's attorney.

I can write my decision without needing to specifically refer to anyone else.

When matters were first brought to us the attorneys were able to bring a complaint to us on behalf of Mr and Mrs G. Mr and Mrs G were customers of SJPWM, so they – through representatives – were eligible to complain about the service they received.

Mr G passed away during the course of our investigation. His will named his sons as potential executors. For the purposes of this decision, I'm going to assume probate has been – or will be – granted on that basis, and FA now represents Mr G's estate.

In addition, Mr and Mrs G established various trusts over the years to hold investments they'd set up. It appears FA and MA have been added as trustees for these, with another son also named as trustee on some of them too. As trustees, the sons are then eligible to bring a complaint to us about the service they've received from SJP in their own right.

And as a final point, FA has referred to a data protection issue he feels affects directors of a limited company. I'll explain below how I can't see a complainant relationship eligible for our scheme exists between that company and SJP. So I'm not going to consider a complaint on behalf of the directors in this decision, even assuming FA is able to represent them to us.

What happened

For some years, Mr and Mrs G received financial advice from SJPWM. Their aims appear to have been to receive an income, and to allow their estates to pass to their sons without having to pay too much inheritance tax. To that end, Mr and Mrs G – although mainly Mr G – took out a few different investments and life assurance plans. Some of these they placed in trusts, of varying sorts.

In late 2019, FA and MA met SJPWM and discussed Mr and Mrs G's investments. An email from SJPWM to MA in October 2019 shows these discussions included

- working out how Mr and Mrs G's investments were now labelled, as this had changed

- over time;
- arranging online access for FA and MA to view details about the investments;
- who the life assured was for some of the bonds and the effect this could have on later tax-chargeable events;
- two life cover plans (although it seems to later be confirmed Mr and Mrs G had taken out three);
- what could be done with funds from the limited company Mr G was director of; and
- the risk level and performance of some of the investments.

These discussions led to some further emails about adding FA and MA as trustees for the trusts where Mr and Mrs G were trustees. SJPWM provided a document that would appoint new trustees. But they don't appear to have explained how this would fit with FA and MA's plan to remove Mrs G as a trustee.

That led to the forms not working as planned. SJPWM appear to have explained the situation to FA and MA in March 2020. The appointments did ultimately go ahead, but it was delayed and Mr and Mrs G had to redo some of the paperwork.

Progress here was also affected by an issue identified in April 2020. SJPWM only had undated deeds for some of the trusts. In their later response to the complaint, SJPWM offered to pay for a lawyer to confirm the trusts were set up as intended. I understand FA and MA have since found the dated trust deeds in Mr G's files.

In the complaint that followed, FA's position was that the delay appointing new trustees had delayed them changing the investments to something more suitable. SJPWM have done a few different calculations through the course of this complaint, to see what difference it might have made to change the investments sooner. All of their calculations have shown the trusts are actually better off for having stayed in their original holdings longer than intended.

SJPWM's response to the 2020 complaint sought to acknowledge the trouble and upset they'd caused for Mr and Mrs G and the trustees. They offered a total payment of £1,000 to do so. This wasn't accepted, so the matter fell to us for review.

One of our investigators gave their view that the compensation here should be slightly higher than SJPWM had offered. He suggested £700 be paid on top of £500 SJPWM had itemised for the delay in responding to the complaint – a total of £1,200.

This too wasn't accepted. But there seems to have been some further negotiation between both sides. This led to SJPWM agreeing to pay compensation of £5,000 to resolve the complaints raised in 2020 on behalf of Mr and Mrs G and the trustees. I understand that payment was made in February 2023.

While this was going on, so too was the interaction between FA and SJPWM about the investments and life policies held by Mr and Mrs G and the various trusts. In a 10-page letter to us in July 2021, FA raised further complaints about the service provided by SJPWM.

Some of the points FA made restated the issues later resolved by the agreement for £5,000 compensation. But there were some new issues too. FA felt bonds had been mis-sold to Mr G on the basis they didn't include lives assured other than Mr and Mrs G, and were in trusts that only had the settlors as trustee. He also complained about a delay transferring Mr G's ISA to a new provider and cashing in a bond Mr G held personally. He also highlighted information SJPWM had provided that had later been seen to be incorrect.

Our investigator took these matters forward, leading to a further complaint response from SJPWM in January 2023. This again concluded there hadn't been a financial loss for Mr and

Mrs G or the trusts. But it offered a total of £500 compensation for the trouble and upset caused by a delay withdrawing Mr G's personal investment bond, and in responding to FA's further complaint.

This response prompted further complaints from FA, including that SJPWM shouldn't have included details linked to the limited company Mr G had been connected to.

Our investigator took a look and gave their view – they felt this was a reasonable offer from SJPWM. FA didn't accept this. Seemingly in line with his earlier complaint, he said he wanted SJPWM to pay further compensation of £5,500.

Unresolved, the matter's come to me for a formal 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.

There's been a lot of complication to pick through with this case. That in part reflects the way Mr and Mrs G – on the advice of SJPWM – set up their various investments and life policies.

The arrangements in place look to be in line with their objectives over the years. Using investments was a way to take their money and have it provide an income without reducing the capital too much. Using trusts allowed for steps to be taken to manage what would end up having to be paid as inheritance tax when the time came to pass on their wealth to their children. And setting up life policies would help meet whatever inheritance tax burden remained for any assets not held in trust.

I don't agree some of the recent points raised by KA in his complaint. A trust doesn't have to have more than one trustee, as far as I understand. And I don't know of any rules against settlors being trustees of their own trusts, although I believe Scottish law may have some rules about informing beneficiaries of their interests in such circumstances.

But I recognise there's something to be said for trying to ensure there are trustees living when trusts' proceeds become payable. But that doesn't mean SJPWM had to direct Mr and Mrs G to make those sorts of arrangements in order for the sale of the investments and life policies to be reasonable.

I've seen some of the financial reviews and suitability letters SJPWM wrote to Mr G over the years. These show options such as having other people as the life assured, or who to have as a trustee were discussed. The set ups used seem to reflect what Mr G chose to do at the time. I can appreciate FA and MA might have done things differently, but that doesn't make what SJPWM did for Mr and Mrs G at the time unreasonable.

Another complication here is that the complaints – while presented mainly by FA – come to us on behalf of various eligible complainants. I've had to think about the best way to handle that when making my decision, particularly where there is discussion around compensation for trouble and upset caused for a complainant.

In some of these complaints, FA represents Mr G or Mr G's estate. For those matters, any remedy I direct is for the impact on Mr G or his estate, not FA personally. But in other complaints, FA is a trustee of a trust. For those matters, I can direct a remedy for him personally.

That's important for the complaints FA raised about the transfer of Mr G's ISA, and when

surrendering a bond Mr G held personally. I've not seen evidence of delays affecting the value of either asset. The ISA remained invested while waiting to be transferred, and I understand the bond went up in value while waiting to be surrendered. So the impact of these delays appears limited to the frustration and inconvenience caused for Mr G and FA.

As Mr G's representative, FA himself isn't the eligible complainant here. So I'm not going to direct any remedy for the impact here on FA. And I note that his involvement served to shield Mr G from much of the inconvenience caused. For example, it was FA – not Mr G – who chased up bond surrender forms with SJPWM between February and April 2021.

I can appreciate though that Mr G may have been troubled to hear his son was having difficulty. And FA has told us Mr G was put to the inconvenience of completing some extra paperwork. A modest amount of compensation from SJPWM would acknowledge that impact, although there's nothing can be done to erase it completely.

SJPWM offered a payment of £250 to acknowledge the impact on Mr G here, and I consider that reasonable, given the circumstances. I'm not going to direct an increased amount.

A different eligibility issue arises in FA's complaint on behalf of a limited company whose data he believes has been unreasonably released by SJPWM. Our scheme – specifically part 2.7.6 of the "DISP" section of the Financial Conduct Authority's handbook – says that a complaint must arise from a relevant relationship with the respondent business in order for a complainant to be eligible to use our service.

The limited company FA's referred to doesn't appear to have one of those relationships. So while they may wish to complain to SJPWM, they won't be eligible to have FA bring that complaint to us on their behalf.

That complaint does though illustrate what I feel is the major issue here – there seems to be an absence of goodwill in this relationship. Every mistake or discrepancy is being argued over, even where there isn't an impact on the investments, or after steps are taken to try to keep the management of the investments and life policies on track.

I note the significant amount of compensation SJPWM agreed to previously - £5,000. I view that as much higher than the level of compensation I'd have directed was needed for the issues it addressed. I view it as a genuine attempt by SJPWM to repair the relationship with their customers. To draw a line under what went before, and get on with the task of providing an effective financial service.

That seems not to have worked. And I can appreciate some of that is due to continued delays in SJPWM's processes, or discrepancies in the dates or values shown for the investments. But in his presentation of these to us, it seems FA is satisfied he knows what the correct values are and is simply highlighting that a mistake had to be corrected. I see little further for me to have SJPWM do to put right the impact of those issues.

But it speaks to the emotional impact on FA as trustee and representative of Mr G's estate. The estate itself doesn't have its own emotional aspect, so I'm not going to direct a remedy for it. But that's not to say I don't appreciate that this is FA's father's estate, and the importance that creates for him that things are done correctly. It's just again that he's the representative of a complainant, rather than the complainant himself.

My decision ultimately comes down to how SJPWM can acknowledge how their continued delays and mistakes will be affecting FA and MA as trustees. I'm led towards compensation, but a modest amount. The delays – particularly in dealing with the complaints raised – have at times been significant. But the underlying investments haven't been impacted, from what I

can see. There hasn't been a financial loss for the trusts.

As I've noted above, the £500 SJPWM offered in January 2023 included £250 for matters relating to Mr G's assets, rather than trust assets. That leaves £250 that could be seen as being offered to FA as a trustee. I find that amount matches with the modest compensation value I think should be paid in this case. So again, I'm not going to direct a higher amount from SJPWM.

I appreciate that's much less than the £5,000 already agreed for the issues raised in 2020. But that reflects that if I was being asked to consider a suitable remedy for those issues too, I'd likely direct a much lower amount of compensation be paid.

Putting things right

I direct SJPWM to pay £500 to KA. £250 of this is to him as representative of Mr G's estate, and £250 is to him to be shared with his co-trustees as they see fit.

My final decision

I've decided to uphold this complaint about St. James's Place Wealth Management Plc. If accepted by the complainants, they'll need to pay the compensation I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the representatives of Mrs G, Mr G's estate, and the relevant trustees to accept or reject my decision before 25 July 2023.

Paul Mellor
Ombudsman