

The complaint

Mrs T complains about some charges that have been deducted from her pension investments. She says that an appointed representative of St. James's Place Wealth Management Plc ("SJPWM") failed to provide her with sufficient information about those charges, and that she hasn't received the on-going advice services that she paid for.

What happened

Mrs T was given advice about her pension savings by SJPWM in 2017 and 2018. On both occasions she was advised to make a one-off gross pension contribution of £3,600. Those contributions were added to a pension plan that Mrs T had opened at the time of the first payment in 2017.

SJPWM says that Mrs T was given information about the pension plan in both 2017 and 2018. It says that information told Mrs T that it would levy an annual charge equal to 0.5% of the value of her pension savings for its ongoing advice service. It says it has collected that charge since its advice was given.

But SJPWM agrees with Mrs T that, since the meeting in 2018, it has failed to provide her with any ongoing advice. It says that a change in the firm Mrs T was dealing with meant that her relationship was overlooked. So it offered to refund all the advice fees that it had collected between 2019 and 2022. SJPWM told Mrs T that it would be pleased to restart providing her with advice, although I understand that meeting has been delayed at Mrs T's request. And SJPWM has said that it doesn't think that the lack of any meetings over the past four years has caused the investment performance of Mrs T's pension savings to be reduced.

SJPWM offered to refund its ongoing advice charges amounting to £154.29. And it said it would add net interest to those charges of £23.52. And SJPWM said it would pay some further compensation to Mrs T totalling £250 for the inconvenience she'd been caused by not having review meetings, and for the delays in dealing with her complaint. Mrs T didn't accept that offer and brought her complaint to us.

Mrs T's complaint has been assessed by one of our investigators. He thought it most likely that SJPWM had sufficiently explained the charges to Mrs T when it gave her the initial advice. And he thought that Mrs T could have got in touch with the firm had she wanted to make any additional pension contributions between 2019 and 2022. He thought that the offer SJPWM had made to Mrs T, for the refund of the ongoing advice charges and the payment for her distress and inconvenience, was fair. So he didn't think SJPWM needed to pay any additional compensation to Mrs T.

Mrs T didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs T and by SJPWM. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

The initial meeting that Mrs T had with SJPWM took place more than six years ago. There is no recording or transcript of what was said in that meeting. And over such an extended period of time even the most careful of memories can, and do, fade. In her discussions with our investigator Mrs T has said that she cannot recall all the details that were discussed with SJPWM at the time. So I don't think it unreasonable that I place greater weight on the documentation that SJPWM issued to Mrs T at the time, and that she could consider at her leisure.

I have seen that Mrs T's first contribution was made relatively close to the end of the tax year in 2017. So it is likely that there were some time pressures in completing the advice, and arranging for the contribution to be paid, to ensure that Mrs T was able to make use of that year's pension contribution allowances. And that means that some of the necessary documentation, and information, might have been provided to Mrs T after she had made her decision to proceed.

But Mrs T made a second contribution to her pension, and received similar advice and information from SJPWM, around ten months later – in January 2018. There would have been far less time pressure around that contribution so I am satisfied that Mrs T would have had an appropriate length of time to consider the information she'd been given. Since she again accepted SJPWM's advice at that time, I'm not persuaded that any time pressures around the initial contribution would have caused Mrs T to make a different decision than if she'd had more time to consider the advice.

The information that SJPWM provided to Mrs T clearly set out that she would need to pay charges on her pension investments. It told her that she would need to pay charges for the management of the investments both to SJP (although those charges would be effectively waived for the first six years) and to the investment managers (that would be reflected in the daily prices). And it told Mrs T that she would need to pay SJPWM for its advice. It told her she would be charged 4.5% of the value of her pension savings for its initial advice, and then 0.5% of the value of her pension savings for its ongoing advice. In line with the regulator's expectations, SJPWM told Mrs T that initially it would expect the ongoing advice charge to be around £19 a year.

So I am satisfied that SJPWM did all that it needed to in terms of making Mrs T aware of the charges that she was agreeing to pay, both initially and for its ongoing services, in relation to her pension savings. Mrs T was given that information on two occasions, and the likely

impact of the charges on the value of her future pension investments was set out in both percentage and cash terms.

SJPWM has accepted that it failed to provide Mrs T with the ongoing advice service that she was paying for. So it is entirely right that it should refund the fees that it has taken. And SJPWM has agreed to add interest to those fees at our normal rate of 8% simple. But, as Mrs T has said, it is also appropriate that I should consider whether the absence of that advice has caused Mrs T to lose out further.

I should firstly say that I have no way of knowing for certain whether ongoing advice meetings would have led to any changes in Mrs T's pension investments. But I haven't seen anything that would make me think that Mrs T's objectives, or attitude to risk, altered materially over the period. So since I think that the investments SJPWM recommended in 2017 and 2018 were suitable, it doesn't seem unreasonable to conclude they have remained suitable over the intervening years, and that they continue to do so. So I'm not persuaded that the lack of ongoing advice has caused Mrs T to lose out on improved investment returns.

In 2018 I understand that Mrs T got in touch with SJPWM to request that it provide her with some advice about making the second pension contribution. So I am satisfied from her actions at that time that she was aware she could make additional (annual) pension contributions, and that she was able to contact SJPWM to seek assistance. I haven't seen anything that makes me think Mrs T tried, and failed, to make similar requests in future years. And I have seen that in 2019 Mrs T's husband was made redundant so reducing the amount of household income she might have been able to use to make additional pension contributions at that time.

I accept that, had the additional advice meetings taken place, it would have been likely that SJPWM would have advised Mrs T that she should make further pension contributions. But that doesn't mean that Mrs T would have accepted that advice, or had the finances available to do so. It is just as likely that she might have chosen to use any spare money in other ways. So I don't think it reasonable for me to conclude that the lack of ongoing advice meetings was the only reason that Mrs T didn't make any further contributions to her pension.

It seems to me that the meeting that took place in January 2018 is likely to have been sufficient for SJPWM to fulfil its responsibilities for ongoing advice at that time. And, as I mentioned earlier, SJPWM offered to restart its advice process with Mrs T as part of its response to her complaint. So I think that the period during which the advice was missing was between 2019 and 2022. That is the time period for which SJPWM has offered a refund, so I think the offer SJPWM has made is fair.

There is no doubt that SJPWM's failure to provide its advice service to Mrs T has caused her some distress and inconvenience. As I said earlier, SJPWM has offered Mrs T £250 in respect of those failings, and the way in which it has dealt with her complaint. In the circumstances I think that offer is also fair.

I appreciate that my decision will be disappointing for Mrs T. But, having considered everything she and SJPWM have provided I think that the offer she has been made is a fair and reasonable way to resolve her complaint. So, unless it has already done so, SJPWM should pay the compensation it has offered (and I set out below for clarity) to Mrs T.

Putting things right

I think the offer SJPWM has made to Mrs T is fair and reasonable. So, unless it has already done so, SJPWM should;

- Refund to Mrs T the fees it has deducted from her pension investments for its ongoing advice service between 2019 and 2022.
- Add simple interest at a rate of 8% per annum to each of these amounts from the date they were paid to the date of settlement. HM Revenue & Customs requires SJPWM to take off tax from this interest. SJPWM must give Mrs T a certificate showing how much tax it's taken off if she asks for one.
- Pay a further sum of £250 for the distress and inconvenience that has been caused to Mrs T.

My final decision

My final decision is that I uphold Mrs T's complaint and direct St. James's Place Wealth Management Plc to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 20 September 2023.

Paul Reilly
Ombudsman