

The complaint

Mr and Mrs A complain about the financial advice and service they received from St. James's Place Wealth Management Plc ("SJP").

What happened

Mr and Mrs A initially approached SJP in 2018 for advice about an inheritance Mrs A had received which they wished to partially invest. In November 2018, a meeting was held with an adviser from SJP and a fact-find completed in order to gain information about Mr and Mrs A's financial and personal circumstances.

It was noted on the fact-find that Mr and Mrs A were both members of their employers' workplace pension schemes. It was also documented that the adviser asked Mr and Mrs A if he could see details of their pensions; they said they did not have the paperwork to hand but would 'dig it out' in advance of the next meeting. Mr and Mrs A also said they were happy to complete some paperwork to allow SJP to obtain information about their pensions from the providers.

SJP provided Mrs A with its suitability letter on 23 November 2018. The report stated it was focussed on investment planning and that Mr and Mrs A had been aware of their other financial planning needs – such as retirement planning – but that it had been agreed to review these separately. After using part of the inheritance to repay some debts and create an emergency fund, Mr and Mrs A agreed with SJP to invest £125,000. They invested just under £100,000 in a unit trust feeder and just over £20,000 in an ISA; both investments were in Mrs A's sole name.

A review meeting took place in December 2019. Mr A signed Letters of Authority ('LOA') in relation to his DB pension so that SJP could approach the scheme for information about what Mr A's benefits were worth. Further reviews were held in July and December 2020 but pensions were not discussed. Mr and Mrs A did tell their SJP adviser that they wanted to move to a bigger house and were planning on using most of their available cash and investments to purchase a property which they did in late 2021. Prior to doing so they sought advice from another adviser at SJP about transferring Mr A's DB scheme. That adviser undertook an 'abridged advice' process in relation to the potential transfer of Mr A's DB scheme, concluding that it wasn't in Mr A's best interests to do so (Mr A subsequently managed to transfer his DB scheme – with a CETV of £303,000 – through another agency of SJP's around the end of 2022/early 2023).

In August 2022 Mr and Mrs A complained to SJP. They said that: -

- they had signed LOA's but had heard nothing further from SJP in relation to their pensions;
- when they first met with SJP they were under the impression that pensions could not be transferred before age 55;
- Mr A had recently turned 55 and so decided to try and find out about his pensions himself discovering that he had a defined-benefit ('DB') pension scheme that had a cash-equivalent transfer value ('CETV') of £459,000. Mrs A had a DB scheme worth £140,000;

- Mr A had tried using SJP to transfer his DB scheme to a personal pension plan so that he could access it flexibly but it had declined to undertake the transfer;
- SJP's advice hadn't provided them with any financial benefit;
- Mr A had experienced delays in the advice he had asked for and received during which time the value of the CETV had fallen;
- they had had to use some of their investment money to pay off some debts when they moved house in 2021 when they would have preferred to access and use their pension benefits;
- they had thought they were getting a holistic review of their financial planning needs.

SJP looked into Mr and Mrs A's complaint and issued a final response letter in December 2022. SJP said that: -

- when it was advising Mr and Mrs A in November 2018 it had not been asked to consider the transfer of Mr A's DB scheme, only to find out what pension benefits Mr and Mrs A both had;
- it noted that Mr and Mrs A had since received abridged advice about transferring Mr A's DB scheme from another partner at SJP and had been advised that transferring was not in their best interests;
- the investment advice it gave Mr and Mrs A in 2018 was suitable as was the abridged advice they subsequently received not to transfer Mr A's DB pension;
- it said it hadn't mis-advised Mr and Mrs A but accepted there had been delays when responding to their concerns;
- it would pay Mr and Mrs A £250 to compensate them for the delay in responding to their complaint.

Mr and Mrs A said the first SJP partner that had advised them was negligent in failing to advise them about their pensions. They said he had told them they only had 'little pensions' when that had not in fact been the case. Mr and Mrs A said they hadn't asked SJP to transfer Mr A's DB pension because they didn't know it existed but if SJP had found out about it then they could have been referred for specialist pension transfer advice. They went on to say that they were facing a financial loss as a result of SJP's failure to adequately assess their financial situation or ascertain the actual value of their pensions. Mr and Mrs A explained that they were experiencing financial difficulties and wanted to transfer Mr A's DB scheme so they could access tax-free cash from a personal pension.

SJP looked into Mr and Mrs A's concerns and issued them with a second final response letter on 30 January 2023. It said: -

- it didn't agree that it had caused Mr and Mrs A any detriment by not instigating a conversation at the outset about transferring Mr A's DB scheme;
- where no wish to transfer had been expressed by a client, and it appeared that a transfer would be unsuitable anyway, there could be no reasonable expectation that SJP analyse the option to do so or suggest such a course to a client;
- LOA's were in due course provided by Mr A in order that pension benefits could be understood and in case there was any future pension planning need. But it was investment planning that Mr and Mrs A had approached SJP for.

In May 2023, unhappy with the outcome of their complaint to SJP, Mr and Mrs A complained to this service. They said they had been misled by SJP into thinking their pensions were small. They also said that SJP hadn't found out any information about their pensions despite them signing LOA's for it to do so. They said that when they decided to check out their pensions themselves they found that Mr A's DB scheme had a CETV of £459,000 and Mrs A's £145,000. Mr and Mrs A said when they told SJP what they had found out it had said it

was difficult to transfer a DB scheme. Mr and Mrs A said they had embarked on an 'abridged advice' process with SJP only to be advised it wasn't in their best interests to transfer Mr A's DB scheme. Mr and Mrs A were unhappy that by this time Mr A's DB CETV had fallen in value by £75,000. They said if SJP had found out about Mr A's DB scheme in 2018 they would have transferred and invested it so they thought that SJP had acted negligently causing Mrs A's mental health to suffer and them both financial detriment.

Mr and Mrs A also said that by not transferring they were unable to take advantage of the flexible death benefits associated with having personal pensions. Mr and Mrs A said they wanted SJP to compensate them for their losses.

Our Investigator looked into Mr and Mrs A's complaint but didn't recommend that it was upheld. Our Investigator noted that the DB scheme had sent Mr A information about his scheme pension in November 2019 which included the then current CETV of £504,022.55. Our Investigator said she was satisfied Mr A knew what his DB scheme was worth in November 2019 but had seen no evidence that he had requested advice from SJP about transferring it. Our Investigator also said she had seen no evidence that SJP had referred to Mr and Mrs A's pensions as 'little pensions'. So she said she was satisfied that SJP had acted fairly during 2018/2019 and she said that she was satisfied that the abridged advice process had been correctly followed by SJP in 2021.

Mr and Mrs A disagreed with our Investigator's findings. They queried why they had been asked to sign additional LOA's in 2019 and why the new LOAs noted different wealth managers' names. Mr and Mrs A also said they had never received the information from the DB scheme in November 2019 which our Investigator had referred to. They said this was underlined by the fact they had never referred to a CETV of £504,022.55 in correspondence with SJP because they were completely unaware that Mr A's DB pension had ever been worth such an amount. And they said they didn't instigate any transfer advice because they hadn't received any information about the values of their DB schemes to seek advice about. Finally Mr and Mrs A said the rules for DB scheme transfers had changed in October 2020 so if they had been advised about their pensions before then they would have met the criteria for a transfer and it could have gone ahead.

Our Investigator thought about what Mr and Mrs A had said but wasn't persuaded to change her mind. She said that she had reviewed the evidence from the time of the original advice in 2018 which did indeed refer to the existence of DB schemes but it also mentioned that Mr and Mrs A had paperwork relating to their pensions that they were going to 'dig out'. She said this was followed by SJP submitting signed LOA's to their pension scheme providers (in late 2019) and Mr A being sent information about his DB scheme directly from the scheme trustees in November 2019.

Mr and Mrs A remained unhappy with our Investigator's findings. They said that she had not responded to all the points they had made and that her findings were vague and lacking in detail. Our Investigator wasn't persuaded to change her mind so the complaint was passed 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 appreciate that it will come as a disappointment to Mr and Mrs A, but I'm unable to fairly or reasonably uphold their complaint; I'll explain why.

I appreciate the detail that Mr and Mrs A have provided in relation to their complaint. While I've considered everything on file, I don't intend to address each and every point or issue raised. Instead I will focus my decision on what I see as being the key issues at the heart of their complaint and the reasons for my decision.

It seems to me that the main element to Mr and Mrs A's complaint relates to an expectation that after the 2018 meeting, SJP should have found out what pensions they had and have provided them with advice about them. Mr and Mrs A are of the view that SJP failed to do what was expected and consequently they have suffered a financial loss because when they did manage to transfer Mr A's DB scheme it had significantly fallen in value.

I appreciate Mr and Mrs A's strength of feeling about the advice and service they received from SJP in 2018/2019. But in order to uphold their complaint I would need to see some documentary evidence that they had asked SJP to advise them about transferring their pensions and that it had failed to act on their instructions.

I've looked at the documentation available from the time of the advice. I can see that a fact-find was completed by SJP in November 2018 to gather information about Mr and Mrs A's financial and personal circumstances. I can see that the purpose of the meeting was to obtain advice following the recent receipt of an inheritance. Mr and Mrs A's desire to clear some debt and make some investments was noted on the form.

I can see too that the fact-find contains a section for documenting existing pensions. Aside from noting that Mrs A (client 1) is a member of her employer's final salary scheme, that Mr A has a stakeholder pension and that they both had a preferred retirement age of 67, no other information is included. At the end of the pensions section of the form (like all the other sections) there is a box for the adviser to add notes.

In the pension notes section of the fact-find, SJP stated, *"You are both members of your employer workplace pension scheme. I asked to view details and you said you have some paperwork that you will dig out and were happy to complete some LOA's. I said we would complete this at the next meeting as you do not have your paperwork to hand...You said you would like to consider your position with regards your [sic] other pensions and would dig those out too. You said you do not expect to retire until state retirement age 67 for both of you"*.

Further on in the fact-find there were sections for retirement planning; these were all left blank. However, the sections for investment and regular savings planning contained extensive notes from SJP about what had been discussed and what had been proposed and agreed.

About two weeks after the meeting, SJP sent Mrs A a suitability letter at the start of which SJP said, *"I am writing further to our recent discussion on 13 November 2018 to confirm my recommendations. You wanted to focus on Investment Planning. I made you aware of your other financial needs such as Retirement Planning and Protection Planning but we agreed to review these separately."* The letter went on to set out Mrs A's objectives, needs and circumstances in relation to her investment planning. No further mention was made of either her or Mr A's pensions. A couple of days later Mrs A invested in the unit trust feeder and ISA as recommended by SJP.

So from the evidence I've reviewed, and to which I have referred above, I can see that the focus of the advice Mr and Mrs A received in 2018 pertained to Mrs A's inheritance, which debts to clear and how to invest the balance. The investments made were in Mrs A's sole name as requested by Mr and Mrs A. That the investment advice was given by SJP to Mrs A is reinforced by the fact that the suitability letter is addressed to her alone.

I've not seen any evidence from 2018 that SJP was going to find out what pensions Mr and Mrs A had and the advise them accordingly. There is very little mention of pensions at the 2018 advice meeting, or in the follow up suitability letter to Mrs A. What mention there is has been cited here by me. To that end SJP said it wanted to view Mr and Mrs S's pensions but the information clearly wasn't to hand. I can see that Mr and Mrs A said they would '*dig out*' their pension paperwork and that they were happy to complete some LOA's – but it was agreed that would be done at the next meeting.

So I think it's reasonable to say that the onus to provide SJP with details about their pensions fell on Mr and Mrs A. I appreciate they expressed an interest in considering their pensions but I don't think, at this stage, it was reasonable to expect SJP to do anything further in respect of Mr and Mrs A's pensions until they provided it with the paperwork and the LOA's were completed.

I don't know if Mr and Mrs A ever provided SJP with the paperwork in relation to their pensions but I've seen no evidence that it was.

It appears the next meeting between Mr and Mrs A and SJP took place at the end of 2019. A LOA for Mr A's DB scheme was signed and dated on 11 November 2019. This was sent by SJP to the scheme trustees on the same day. On 21 November 2019 the trustees wrote to SJP to say that the LOA it had sent in was for a different SJP partner/adviser so it was unable to provide SJP with the information it was requesting. The trustees asked SJP for an LOA citing the correct partner/adviser's name. SJP then wrote to Mr A on 22 November 2019 asking him to sign a replacement LOA for his DB scheme as it needed to be sent to a different department. I can see this was signed and dated by Mr A on 4 December 2019 and sent by SJP to the trustees on the same date.

On 11 December 2019 the scheme trustees sent SJP an email that said they had recently issued a scheme information sheet and transfer pack to Mr A; now that they had the correct LOA, the trustees also sent the same documentation to SJP.

I've seen the pack (dated 25 November 2019) which was issued by the trustees to Mr A. I appreciate that Mr A says the first he'd ever seen of it was when our Investigator sent him a copy and that Mr A says it should be proved he received it. He says if he had received it in November 2019, and he had seen what his pension was worth then, he would have instigated the transfer advice process with SJP at that point.

The completion of the two LOA's in November/December 2019 correlates with what SJP said to Mr and Mrs A in November 2018; that it would complete LOA's with them when they next met. I appreciate that Mr A said he sent LOA's to SJP in 2018 but I've not seen any as no copies have been provided, however, I note that both SJP and Mr A do refer to him signing LOA's for two other providers. I understand information from one provider was never forthcoming and the information from another provider revealed a pension with a fund worth £5,000. In any event, it seems to me that the pension Mr and Mrs A are complaining about not being able to transfer is Mr A's DB scheme. I can see two LOA's in relation to Mr A's DB scheme were signed by him at the end of 2019 and that he was sent information from the scheme trustees about the transfer value of his DB benefits and also what those benefits were worth.

I can't prove Mr A received the pack the trustees sent but nor can I reasonably ignore that it was correctly addressed. That being the case it is reasonable to assume it was delivered. I am certainly satisfied that Mr A was sent it by the scheme trustees given what was said in their email to SJP on 11 December 2019. It is important to note too that as far as SJP was concerned Mr A had received information about his DB scheme, given that the trustees had

told SJP they had sent Mr A the information pack and given the pack was correctly addressed. So, SJP would have had no reason to doubt otherwise. Thus, SJP knew Mr A was in receipt of his DB scheme information yet had not asked for any advice from SJP. It follows that it in the circumstances it wasn't unreasonable that SJP considered there to be no need to take any no action in relation to Mr A's DB scheme.

Even if I were to assume that Mr A never received the information pack from the trustees, I would still be of the view that SJP hadn't treated him and Mrs A unfairly or caused them a financial loss. I say this because it is clear from the available evidence that the focus of the advice Mr and Mrs A sought was investment planning. SJP has said that in 2018/2019 conversations were had with Mr and Mrs A where their pension schemes were explained to them, including the safeguarded benefits associated with their DB schemes. SJP has also said that Mr A wasn't expecting to retire before age 67 (as documented on the fact-find), and taking their overall financial position into account, the guarantees associated with his DB scheme would be valuable to them both in retirement. Thus SJP has said that there was no intention in 2018/2019 to transfer Mr A's DB scheme, there was merely a desire from Mr and Mrs A to understand the pension benefits they had.

I've noted Mr A's comment that his signature on one of the 2019 LOA's was forged but I've been provided with no evidence that this was the case. SJP has explained why it needed a replacement LOA from Mr A at the end of 2019 and the email from the trustees of the DB scheme underscores SJP's explanation.

So for the reasons I've given here, I've seen no evidence that SJP should have looked at Mr and Mrs A's pensions in any more detail than it did. The evidence I have seen shows that Mr and Mrs A approached SJP in 2018 for investment planning advice not pension advice. Their pensions were referred to briefly at the 2018 meeting and again in passing in the suitability letter. SJP obtained LOA's from Mr and Mrs A just as it said it would and approached their pension providers for information. I can see that Mr A's DB scheme sent him information about his scheme benefits and CETV, and I note that SJP explained their pension schemes to Mr and Mrs A, including the safeguarded benefits associated with their DB schemes. In the absence of its clients requesting any further advice about their pensions I can't reasonably say that SJP should have done any more or instigated a DB transfer advice process with Mr A.

SJP has said there were two reviews with Mr and Mrs A in 2020 – in July and December – which were principally to discuss the state of the financial markets and their investments given the situation with Covid-19. SJP has said that no review of the pensions was either outstanding or mentioned. Mr and Mrs A did tell SJP in December 2020 that they were thinking of moving to a larger house which they were considering funding by extending their mortgage into retirement and utilising most of their cash and investments.

Thus the evidence I have seen indicates that Mr and Mrs A sought no advice in 2018-2020 about transferring Mr A's DB scheme. It also indicates that SJP obtained the information about their pensions that Mr and Mrs A said they wanted back in November 2018 and that there were conversations about the benefits they provided at the end of 2019. So I am unable to agree that SJP was negligent in the service it provided to Mr and Mrs A or in the advice it gave. I've seen no evidence that Mr A was thinking about transferring his DB scheme pension prior to the summer of 2021.

I can then see that in the summer of 2021 Mr and Mrs A approached another adviser at SJP (having been introduced by their son who also worked at SJP) and that abridged advice about transferring Mr A's DB scheme (now with a CETV worth £459,567.82) was sought and obtained. The abridged advice process concluded that Mr A should not transfer his DB scheme because he lacked investment experience and had no capacity for loss.

Mr and Mrs A moved house in late 2021, surrendering all but £5,000 of Mrs A's investment portfolio.

In the spring of 2022 I can see that Mr and Mrs A's son endeavoured to get the transfer of Mr A's DB scheme considered again by SJP but it declined to process it on the basis that it remained the case that the transfer wasn't in Mr A's best interests. Mr A has since managed to transfer his DB scheme – with a CETV of £303,000 – through another agency of SJP's.

I'm sorry to hear that Mr and Mrs A have experienced financial difficulties and that Mrs A has suffered anxiety because they have not had the funds to improve their new home in the way that they would wish. But taking all the circumstances of their complaint into account, I can't fairly and reasonably conclude that the fault for either rests with SJP. I don't think that SJP negligently advised Mr and Mrs A in 2018 such that they missed the opportunity to transfer Mr A's DB scheme much sooner and thus to have benefitted from a much larger CETV; there is no guarantee that they would have been able to transfer Mr A's DB scheme at an earlier point in any event.

For the sake of completeness, I should mention that I've seen no evidence SJP referred to Mr and Mrs A's pensions as 'little pensions'. SJP could not have known the value of Mr and Mrs A's pensions to be able to pass any comment on what they were worth until it had obtained information from the providers of their pensions at the end of 2019 at which point SJP became aware that Mr A's DB scheme wasn't one that could be characterised as 'little'.

SJP has offered Mr and Mrs A £250 as a gesture of goodwill for the time it took it to provide a response to their complaint and by way of an apology for the delay they experienced. Complaint handling is not a regulated activity; consequently it isn't something that is within this service's jurisdiction or an activity upon which I am able to comment. Mr and Mrs A should contact SJP directly should they wish to accept the sum it has offered them.

My final decision

My final decision is that I don't uphold this complaint.

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

Claire Woollerson
Ombudsman