DRN-4639463

The complaint

Mr G complains about the pension advice he received from Hargreaves Lansdown Advisory Services Limited ('HLAS').

Mr G states that the fund performance should match the projections provided by HLAS, and that HLAS are liable for the losses he has incurred as a result of poor fund performance. Mr G would like HLAS to recompense him for his investment losses.

What happened

In October 2013 and on 9 January 2014, Mr G met with an adviser from HLAS to discuss his retirement planning needs. On 30 January 2014, HLAS issued a suitability letter to Mr G setting out their recommendation to him. At that time, the adviser established that:

- Mr G was 57 years old, divorced, in good health with no financial dependents. Having just given up full time employment, he was funding his expenditure through his savings which by this point stood at c£30,000.

- Mr G's five pension funds were valued at c£609,000 which he wished to access to support his lifestyle; he wanted an income of £2,000 per month which was made up of £500 for essential spending and £1,500 as 'desirable' expenditure.

- Given the relatively modest size of Mr G's essential expenditure, he explained that he would rather keep his options open and defer making any decisions about a fixed or guaranteed income (through an annuity) with the majority of his money until a later date because he liked the idea of having the fund available to leave to his children on death.

- Mr G's home was worth around £550,000 and he planned to repay the outstanding mortgage of c£100,000 by releasing monies from his pensions and then he'd potentially downsize in the future.

- The tax-free cash that was available from four of the five pensions amounted to c£138,000 and the fifth pension benefited from enhanced tax-free cash, so Mr G decided that he'd approach the firm that he holds this with separately. HLAS recommended that Mr G move his pensions to themselves once the tax-free cash had been taken and invest the monies into their Portfolio Management Service (PMS).

- Mr G considered that he may purchase an annuity with the balance of the pension fund that offered the enhanced tax-free cash (£161,302), so he'd have a mix of both fixed and non-guaranteed income. HLAS explained that Mr G would be able to draw the natural yield from his portfolio which would amount to a monthly income of £1,087.52. He'd also have cash reserves of c£100,000 after the recommendation.

- When considering the amount of risk Mr G was prepared to take with his pension, it was agreed that Mr G would prefer to have a 'more aggressive stance' on investment planning when looking at future investment and income positions. The adviser went on to conclude that Mr G's main priority was the diversification of his portfolio whilst positioning himself to achieve growth and income.

- On the financial planning questionnaire that Mr G completed, he indicated that "*you can accept the need to risk fluctuations (losses and gains) with the majority of your capital to achieve long term growth to maintain your standard of living by increasing your income".*

- The asset mix that Mr G and his adviser agreed upon was: cash – 5 to 10%, fixed interest - 10 to 20% and managed equities - 70 to 80%. This meant that Mr G was taking more risk with his monies than he was previously. But, after discussing risk and how different asset classes work, it was determined that it was important to introduce a spread of different asset classes to his portfolio including both international and UK markets with some exposure to emerging markets too.

- HLAS recommended Mr G invest £414,556 into their income drawdown plan and utilize HL's Income and Growth 6 portfolio. The monies were split £389,561 for investment and £24,995 cash for the first two years' income.

- The portfolio consisted of four multi-manager funds: HL MM Income and Growth Trust, HL MM Strategic Bond Trust, HL MM High Income and HL MM Strategic Assets.

- The adviser considered that Mr G had both the appropriate attitude towards investment risk and the capacity to take risks at that level in order to meet his priorities of protecting his pension against inflation, to provide an inheritance for his children and to meet his essential outgoings.

In the years that followed, Mr G held annual discussions with his HLAS adviser about the ongoing suitability of his arrangement with them. Mr G paid HLAS 0.365% + VAT per annum for this service which was based on the value of his portfolio with them. At those reviews the adviser concluded that the plan and the level of risk that Mr G was taking remained appropriate for his circumstances.

In 2020, Mr G decided that he no longer wished to pay HLAS for ongoing advice. At that point, HLAS moved Mr G's pension to an execution only arrangement where decisions about how his monies were invested became his sole responsibility.

<u>Mr G's complaint</u>

In February 2021, Mr G decided to formally complain to HLAS. In summary, he expressed concerns surrounding the performance of his PMS account between 10 March 2014 and 31 July 2020, specifically that the portfolio had reduced in value significantly.

After reviewing Mr G's complaint, HLAS concluded they were satisfied they'd done nothing wrong. They also said, in summary, that having reviewed the advice given by their adviser, they were satisfied that Mr G was provided with a suitable solution to meet his needs.

HLAS went on to say that whilst their fund management team were aware of a period of underperformance, the reduction in Mr G's portfolio value couldn't be attributed to investment performance alone. HLAS explained that during the period in which ongoing advice was provided to Mr G (2014-2020), his adviser had highlighted that his income requirement was greater than what should be taken from the portfolio and that withdrawing a sum in excess of the natural yield would erode the value of his funds over time, which was unsustainable. HLAS said that this warning was provided several times throughout the period in which Mr G received advice from them.

Mr G was unhappy with HLAS's response, so in September 2021, he referred his complaint to this service. In summary, he said he was unhappy with the performance of his pension. In addition, Mr G explained that the returns he'd seen on his pension were different to those that were published in Hargreaves Lansdown's literature. Mr G said that he wanted HLAS to pay him the difference between the lower actual fund value versus the projected fund value which he felt, amounted to around £114,000.

The complaint was then considered by one of our Investigators. She concluded that HLAS hadn't treated Mr G unfairly because from what she'd seen, the advice that HLAS had originally provided to invest was suitable for his needs and the value of his pension was a result of not just poor performance but extracting too much income from the pension.

Mr G however, disagreed with our Investigator's findings. In summary, he said that he would like his complaint to go to the Ombudsman in case they had a different view to the Investigator. In addition, Mr G also said:

- When he met with HLAS in January 2014, he was given sample performance pages showing annualised returns of 10.85% and 17.5%. He felt that those figures were out of date and not reflective of their current performance and not reflective of the performance that he's seen.

- HLFM had swopped out a very experienced fund manager but hadn't replaced them with a like-for-like alternative. He said the new fund manager was a very young ex-financial journalist which then coincided with the underperformance of his fund.

- The 2014 suitability report that HLAS claimed they'd provided at the time of the original advice appointment was never received. He says that meant he wasn't aware of all the information that HLAS had set out to him.

- He was placed under pressure to sign up with HLAS and felt compelled to go with them at the time despite not having had the time or opportunity to properly consider things.

- HLAS were trying to use a 'get out of jail free card' by highlighting the comments that they'd made about the level of withdrawals being unsustainable. He said he thought those comments that were 'littered' across their letters were standard practice by all financial advisers to their clients. But he says that he was given totally misleading information about the withdrawals.

- Upon searching the internet, he'd seen that HLAS's performance compared to their peer group was only half of what their competitors had delivered. He felt that meant HLFM hadn't used the best fund managers as they'd often stated.

- Despite all the issues, HLAS had taken charges of £9,133 even though his pension's performance hadn't been as he was led to believe. He didn't think that was fair.

Our Investigator was not persuaded to change her view as she didn't believe that Mr G had presented any new arguments that she'd not already considered or responded to. The case now comes to me for 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.

I have summarised this complaint in less detail than Mr G has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr G and HLAS in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr G's complaint – it's for the same reasons as our Investigator and I'll explain below.

It seems to me that the crux of Mr G's complaint is that he's unhappy his pension has gone down in value. Mr G says that from the projections he was provided with, he thought his monies would've performed much better than they have. So, after not seeing the gains in his portfolio that he was anticipating, he raised his concerns with HLAS. Whilst I can consider complaints about investment performance, in most instances, I would need to see evidence that HLAS had done something wrong and can't just rely on actual or perceived poor performance. That's because even if Mr G's funds have underperformed compared to the rest of the market, we don't usually think this proves the funds were mismanaged. Many consumers have seen the value of their investment funds fall over the same period as Mr G's pension given the economic conditions not just across the UK, but wider financial markets too. So, to be clear, this isn't just a HLAS issue and it's something many other consumers had to go through at other businesses too over this time. Despite this, in light of the comments Mr G has made, I have gone on to consider whether the advice that HLAS provided to him was suitable.

<u>Suitability of advice</u>

In shaping my decision, I do feel it is relevant to understand the broad reasons why HLAS recommended the PMS and whether it was suitable for his needs. Mr G states that the inclusion of the WEIF in the managed funds had a negative impact on his investments.

I think it's clear from HLAS's early interactions with Mr G that he's an experienced investor - he's held stock market-based investments for a number of years and during that time, he stated that he'd experienced seeing the value of his monies fall as well as rise. Having looked at Mr G's interactions with HLAS in the five years running up to the Woodford fund being suspended (so from 2014 to 2019), he held the same investment objective, that of capital growth above the rate of inflation and the diversification of his portfolio whilst positioning himself to achieve growth and income. HLAS's interactions with Mr G confirmed that he's not risk averse and was prepared to take some risk in order to help meet his priorities.

The key consideration when looking at Mr G's portfolios is whether or not the assets that it held were consistent with what he was told the portfolio would be invested in, including the spread of assets, the individual split between funds and any other relevant information involving risk. It's clear to me that the portfolio was invested in line with the factsheet and what he was told at the outset. The multi manager funds that the portfolios held were aligned with the split that was described in the factsheets and I'm satisfied each funds' objectives and holding were also consistent with the particular portfolio that Mr G had chosen. I don't believe that it would be fair and reasonable to look at the WEIF in isolation.

There's no doubt that the performance of the WEIF wasn't as the fund managers had hoped and its eventual suspension and liquidation is unfortunate. However, the reality is that the nature of the WEIF changed over time but there's insufficient evidence to show HL had changed its view that it offered potential to show good performance over the longer term and, while it became higher risk, there isn't the evidence to show this meant it became unsuitable at the level held in the portfolio. I don't think it's fair or reasonable to hold HLAS responsible for not foreseeing the suspension and subsequent liquidation of a fund it had no involvement in managing.

HLAS was responsible for giving Mr G suitable advice, and reviewing the PMS yearly as it did, to ensure it remained suitable for him – I'm satisfied that it matched his objective of investing over the medium to long term, for the potential of better returns to help protect against inflation and importantly, it was aligned to the level of risk he was prepared to take with his monies.

When looking at investment losses arising from holdings in a portfolio, it isn't usually fair to focus on the one holding that's suffered a loss, ignoring the remainder of the portfolio, like Mr G's which contained four funds across his portfolio, which themselves held a multitude of different assets. Instead, it's important that I take into account both the asset itself, as I've done above, and the extent to which his portfolio was invested in it. The same is true when looking at whether the description of a particular fund is fair, clear and not misleading, compared to what it actually invests in.

Mr G delegated responsibility for managing his monies to HLAS within their managed portfolio service. That gave them license to invest Mr G's monies as they saw fit within the confines of the risk mandate that he'd agreed to. In short, that meant HL's fund managers were free to select investments for the portfolio which in their professional opinion, would meet the objectives of the fund. HLAS weren't required to seek prior approval from Mr G about any proposed investment purchases (or sale decisions) and they weren't required to keep him abreast of the individual performance of various assets within the fund. HLAS were however required to keep Mr G informed about how the portfolio overall was performing and they did that by providing him with regular statements and undertaking regular annual reviews. Mr G has stated that the timing of those statements was often sporadic, but had he wanted more information about his pension then he could look at HLAS's online portal and he was free to contact his financial adviser at anytime. It's not within the remit of this service to dictate the timing of when firms must issue mailings to their consumers, that's a business decision for them.

Having looked at the various interactions that Mr G had with HLAS over the years, I'm satisfied that the WEIF wasn't recommended in isolation, rather it was simply included within some of the multi manager funds which Mr G's portfolio was invested in. It clearly formed part of a broader strategy which HLAS was advising Mr G on. This means that when looking at HLAS's recommendation to invest in the PMS, it wouldn't be fair to assess it purely on the basis of how risky the WEIF was without an understanding of what else Mr G had in his portfolio. And it certainly wouldn't be fair to be critical of HL's decision to invest in the WEIF purely on the basis that it was later suspended and liquidated – neither of those events had anything to do with HLAS. Importantly, from the literature that I've seen, at no point did HLAS offer Mr G any warranties that his monies were invested risk-free.

All of the funds HLAS recommended had a mixture of equity funds and fixed interest funds, and some had an exposure to WEIF. I've taken into account the various investments in the

WEIF between 2014 and 2019 and I don't think they were unsuitable or not in line with the individual funds, and with the portfolio Mr G was invested in.

In terms of the broader advice which Mr G received, I'm satisfied it was fair and reasonable for HLAS to have concluded that its recommendation was suitable for him. As an experienced investor, Mr G knew of course that performance could not be guaranteed and that whilst HLAS was clearly aiming to recommend investments which would perform well for his pension, there was a risk (in some cases a high risk) that there might be volatility in the value of Mr G's holdings.

I've seen nothing to persuade me that the individual funds that made up the PMS were not in line with what Mr G wanted, and crucially aligned to the aim and risk profile of the specific PMS he was invested in. It's clearly the case that even in early 2019, neither HL nor Mr G anticipated the WEIF being suspended or liquidated in the short term – and it is unfortunately that event which caused some of Mr G's losses, not HLAS's decision that this investment was suitable for him. But in any event, I've not seen anything to suggest that either HLFM had sufficient evidence to counter their view that the WEIF was a good long-term investment for their customers and that it was held at a level which matched the funds' objectives. As such, it follows that HLAS could therefore reasonably recommend that Mr G continue to hold the funds which invested in the WEIF.

So overall, I consider the portfolio's limited exposure to the WEIF was consistent with its aims and objectives; I don't agree that exposure made these funds unsuitable for the portfolio Mr G had invested in, or meant that overall the portfolio represented more risk than he was willing to take. As an experienced investor, Mr G knows full well that there's no certainty when investing - and the whole point of investing in a balanced portfolio is to help limit the impact of any one single investment adversely impacting his wider savings.

From what I've seen of the original advice that Mr G received in January 2014 and the subsequent annual review meetings that followed, Mr G was prepared to invest for the medium to long-term, the level of equity content within his portfolio was agreed upon with him in advance, he had the knowledge and ability to take risks at the level agreed and from what I've seen, the portfolio was managed in line with the stated risk mandate. Mr G received regular updates about his portfolio's performance but there's always a risk inherent with investing that one or several of the investments made, may not go as hoped, but I can't hold HLAS responsible for that.

Just because an investment doesn't provide the outcome that's initially hoped, it doesn't necessarily mean that the original decision to invest in it was wrong. That's simply a risk of investing in the stock market which as I've already stated, Mr G well understood.

I'm satisfied that it was fair and reasonable for HLAS to have initially discounted an annuity for the weight of Mr G's monies. I say that because HLAS's adviser agreed with Mr G that:

"We considered whether you would need a guaranteed level of income. You feel you can accept fluctuations in your level of income because you will have access to capital as a "back up". With your mortgage repaid from your tax free cash sum, your only commitments each month are your bills, which are minimal, and you feel that you will have sufficient flexibility with your outgoings to allow for a variable income in the future. Additionally, I have discussed with you and you are contemplating using the Equitable Life fund after tax free cash has been drawn to secure an annuity to provide you with a base line of income. With this in mind, you are happy to have an income level that is not guaranteed with the pension funds being advised upon."

And, given he wished to leave a legacy fund for his children on his death, an income drawdown plan would more closely meet that need. But in any event, had Mr G wanted to purchase an annuity, he could've done so at any time but it seems that even at his 2018 annual review, he'd not taken this step that he initially intimated he would do with his Equitable Life pension. It would seem therefore that there was some reluctance on Mr G's part to follow that path.

Based on everything that I've seen, I think it was reasonable for HLAS's adviser to make the recommendations that they did, and the advice overall was suitable. It's clear to me that Mr G was willing and able to take risks at the level recommended, he had knowledge and experience of investing previously and understood that HLAS couldn't offer any warranties about the returns he might expect. His attitude towards investment risk (and his stated objectives) lent itself towards a variable income and this was reinforced by his wider circumstances such as the adequate additional resources he held over his pension fund with HLAS.

<u>Annual reviews</u>

As part of the service that Mr G was paying for, he received annual reviews from HLAS. Those yearly interactions were focused on reviewing his circumstances and ensuring the recommendation that HLAS made in January 2014 continued to remain suitable for his ongoing needs and objectives.

I've looked closely at each of the annual review letters that HLAS issued to Mr G and they all confirm that his adviser had reviewed the ongoing suitability of his plan, the level of risk he was prepared to take and whether any alterations were necessary. It seems that the adviser was satisfied that based upon what Mr G had told him, the income drawdown plan remained suitable for his needs. Based on what I've seen, I don't think those assessments were unreasonable either because there didn't appear to be any significant events in Mr G's interactions with HLAS that would've given them cause to alter their course.

HLAS have explained that a significant contributing factor that led to the fall in the value of Mr G's fund was the level of income he was extracting from it and more specifically, that he was taking more than the fund was generating. And from what I've seen, that appears to be a reasonable conclusion based on the payments taken. At each of the annual reviews that HLAS conducted with Mr G, the adviser revisited the income he was extracting from his plan and highlighted that he was taking more than his plan was yielding. In the review letters that then followed his meeting, HLAS set out in writing those risks:

- 14 May 2015 – "*as discussed during our conversation, it is important that the income levels that you are drawing are reviewed on a regular basis, as the level of withdrawal that you are taking is in excess of our recommendation. You, however, remain comfortable with the level of income and wish to continue as you are*".

- 12 April 2016 – "*As discussed during our conversation, it is important that the income levels that you are drawing are reviewed on a regular basis, as the level of withdrawal that you are taking is in excess of our recommendation. We agreed that you would reduce your income at this time to £1,650 per month and I have instructed my office to alter withdrawals in accordance with this*".

- 7 June 2017 – "*As discussed during our conversation, it is important that the income levels that you are drawing are reviewed on a regular basis, as the level of withdrawal that you are taking is in excess of our general recommended level. Following our decision to reduce income payments last year, we have now agreed to increase income payments back to £2,000 per month and to move to 'cash' a holding of £24,000 to* *support the income withdrawals*".

Mr G says that HLAS are trying to use a 'get out of jail free card' by highlighting the comments that they'd made about the level of withdrawals being unsustainable. He also said he thought those comments that were 'littered' across their letters were standard practice by all financial advisers to their clients but Mr G says that he was given totally misleading information about the withdrawals. However, I don't agree.

Whilst it's evident that HLAS highlighted the risk of taking too much income in their letters to Mr G, he's also conceded that he was at least aware of that risk. I say that because I've listened to the various telephone calls that Mr G has had with our Investigator. On 22 February 2024 when discussing how the level of income he'd taken from the pension had impacted the value of his portfolio, Mr G explained that "*They did mention it within the majority of the yearly reports that I was taking too much but I just assumed when you read everything else, we can't be held responsible for this that, this that. I just thought it's standard wording*". Even though Mr G may have dismissed those multiple warnings in the letters he received as 'stock' or generic paragraphs, I'm of the view HLAS's warnings were personalised to a sufficient standard to make clear to Mr G what the risks were to him if he continued on the same path of drawing the income he was at that level.

I think it's clear that HLAS had given sufficient warning to Mr G over the years that taking too much income from his pension wasn't in his best interests and I think on balance, as an experienced investor, he ought reasonably to have known that by continuing to take excessive withdrawals above what his investments were yielding would likely result in capital erosion.

From what I've seen, I'm satisfied that HLAS provided Mr G with the ongoing service that he paid for. I can't conclude that HLAS failed to properly monitor Mr G's plan or ensure its ongoing suitability for him.

The period following Mr G's decision to cease receiving financial advice

Once Mr G asked HLAS to step back from providing an ongoing advice service, full responsibility for looking after his pension reverted back to himself. This meant that Mr G became an execution only client – and what this meant in practice was HLAS were no longer responsible for advising him on what investments to purchase for his pension or managing his positions. As the plan holder, Mr G alone became responsible for deciding how much money to deposit, when to open trades and in what investments, monitoring those positions, and when to close them. So, this means that HLAS were not responsible for advising Mr G on which investments were suitable for him, keeping him abreast of what was happening on the markets or when to alter his investments or how much money he could safely extract – that responsibility rested with him. In addition, I've seen no evidence that Mr G re-approached HLAS at any point following his instruction to remove their ongoing service to ask them for financial advice to be provided to him again.

After HLAS ceased providing their ongoing advice service, from what I understand, Mr G retained exactly the same funds in the same configuration that HLAS had originally advised. So, whilst he may have been unhappy with the performance of his plan, it was within his gift to switch to an alternative fund should he have wished. As it was Mr G's responsibility to monitor and manage his plan from 2020, I therefore can't hold HLAS accountable for the performance in Mr G's funds following this point.

Past performance figures

In his complaint submission to this service, Mr G explained that having looked at the literature for each of the four funds that made up his portfolio, it seemed to be the case that they were all showing positive returns over the period from September 2016 to September 2021. Yet when he compared those returns to his portfolio, Mr G says that the two elements didn't correlate. I think it's important to understand here that the past performance figures that Mr G has quoted aren't personalised to him or his circumstances. Mr G originally invested in the four funds at the beginning of 2014 (rather than 2016) and during that period, he's taken an income from the funds which was in excess of the natural yield being generated. So, the specific returns won't be the same, particularly when considered against the wider charges that Mr G would have paid that also weren't reflected in the portfolio's return figures, such as the ongoing cost of advice charge that Mr G paid on his plan.

In addition, when Mr G met with HLAS in January 2014, he says that he was given sample performance pages showing annualised returns of 10.85% and 17.5%. Mr G felt that those figures were out of date and not reflective of their current performance and not reflective of the performance that he'd seen. I wasn't present at the meeting with Mr G and HLAS's adviser in 2014 so don't know what was discussed about previous performance but I am satisfied that HLAS's literature does make clear that previous returns aren't indicative of what the consumer could expect to get back in the future and are not guaranteed.

Mr G's wider comments

In his later exchanges with this service, Mr G said that he was unhappy that Hargreaves Lansdown had swapped out a very experienced fund manager but hadn't replaced them with a like-for-like alternative. Mr G said the new fund manager was a very young ex-financial journalist which then coincided with the underperformance of his fund. In addition, Mr G also explained that upon searching the internet, he'd seen Hargreaves Lansdown's performance compared to their peer group was only half of what their competitors had delivered. Mr G felt that meant HLFM hadn't used the best fund managers as they'd often stated that they do.

Mr G's complaint has been raised against HLAS, which are also part of the same group as HL Fund Managers (who are responsible for making the investment decisions on where to invest the consumers' monies in the MM funds) and are also responsible for individual fund managers. However, the rules that govern this service state that my findings are restricted purely to the entity which Mr G complained about, which in this case is HLAS and not HLFM. However, I should be clear anyway that it's not within the remit of the service to comment on the hiring decisions of a business; that's a matter entirely for the firm.

Mr G says that the 2014 suitability report that HLAS claimed they'd provided at the time of the original advice appointment was never received. Mr G says this meant he wasn't aware of all the information that HLAS had set out to him. Mr G went on to explain that had he seen the income yield from the portfolio would be less than he'd wanted, he wouldn't have agreed to proceed with HLAS's recommendations. From what I've seen, HLAS met with Mr G on multiple occasions before agreeing to proceed with the subsequent pension switches. Whilst I appreciate recollections may vary with the passage of time, I believe it's more likely than not that HLAS did send the suitability report out to Mr G given the significant size and complexity of the advice provided. In addition, I can't see anything to suggest that Mr G raised a concern with HLAS in the period that followed about not having received it. I say that because in the recorded call that I've listened to between Mr G and our Investigator, he explained to her that he does remember the HLAS adviser covering the letter with him in January 2014, but the adviser explained that she'd noticed a number of typos that needed to be corrected before it could be posted. So, based on the fact that the suitability report was covered with Mr G, I can see no reason why HLAS wouldn't then post it out to him once it had been corrected.

Mr G has explained that he was placed under pressure to sign up with HLAS and felt compelled to go with them at the time despite not having had the time or opportunity to properly consider things. This is a new complaint point that wasn't originally raised with HLAS so I'm unable to address this until Mr G first raises that concern with HLAS to give them an opportunity to respond.

Despite all the issues Mr G says he's encountered, he didn't think it was fair HLAS had taken charges of £9,133 even though his pension's performance hadn't been as he was led to believe. From what I've seen, Mr G hasn't complained about charges directly to HLAS but in any event, if he's unhappy about the costs, he must raise that concern with HLAS.

<u>Summary</u>

From the literature that I've seen, at no point did HLAS offer Mr G any warranties that his monies were invested risk-free. The portfolio HLAS originally recommended had a mixture of equity funds and fixed interest funds, and some had an exposure to property. I've taken into account the various investments in that portfolio and I don't think they were unsuitable or not in line with Mr G's stated risk profile.

In terms of the broader advice which Mr G received, I'm satisfied it was fair and reasonable for HLAS to have concluded that its recommendations were suitable for him. As an experienced investor, Mr G knew of course that performance could not be guaranteed and that whilst HLAS was clearly aiming to recommend investments which would perform well, there was a risk that there might be volatility in the value of Mr G's holdings.
I've seen nothing to persuade me that the individual funds that made up the portfolio were not in line with what Mr G wanted, and crucially, not aligned to his risk profile overall and I've seen nothing to persuade me that HLAS failed to adequately provide the service to Mr G that he was paying for. And, just because Mr G hasn't seen the returns he'd hoped for, it doesn't mean HLAS has done something wrong. I'm also satisfied that HLAS were clear in their communications with Mr G that in taking income in excess of that naturally generated by the portfolio, there was a real risk that the value of his portfolio would be eroded. I'm therefore unable to conclude that HLAS have treated Mr G unfairly and as such, I'm not upholding his complaint.

My final decision

I'm not upholding Mr G's complaint and as such, I'm not instructing Hargreaves Lansdown Advisory Services Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 November 2024.

Simon Fox
Ombudsman