

The complaint

Mr W complains that his annual wealth statement from St James's Place UK plc ('SJP') for the year to December 2022 did not contain the legally required itemisation of charges from his investments. He says the withholding or hiding of information about the charges has been a repeated issue – something he's complained to SJP about previously. Mr W wants SJP to provide him with all of the figures and calculations for the period in question and he wants a level of compensation that reflects SJP's continuing non-compliance.

What happened

The following is a summary of the background to this complaint.

Mr W holds two investment bonds and a retirement account with SJP.

Following receipt of his annual wealth statement for the period ending 31 December 2022, on 13 March 2023 Mr W wrote to SJP raising two matters – one of which was about the lack of information about the charges taken from his investments over the period in question. He said there were no figures included in the statement. He said this was something he'd raised previously when he was told SJP had a regulatory obligation to provide charges breakdowns on an annual basis, which should be included in the wealth statements. Mr W asked SJP to provide the necessary information.

SJP acknowledged Mr W's letter on 21 March 2023. It said it had requested a charges statement, which would be sent out separately.

On 19 April 2023, when Mr W hadn't received the requested information, he wrote to SJP again repeating his request. He also asked it to provide an undertaking that this information would appear in future annual statements.

On 5 May 2023, SJP provided charges information for Mr W's two bonds up to 31 March 2020 and said the retirement account information would be sent separately.

In August 2023, Mr W brought a complaint to us. He said the information he received in May 2023 was for the wrong period and he hadn't received anything for his retirement account. He said SJP are required to provide the figures as part of the annual wealth statement. He said he should have the right to check that SJP has deducted the agreed charges, which he said should be expressed as a percentage of the value of the investment on the day the charges are applied.

He said he had £1,000 compensation from SJP previously for these kinds of failures and so he wants this kind of sum for their continued breaches. He said he wants SJP to give an undertaking that the figures will be in future annual wealth statements in line with current Consumer Duty obligations.

Because SJP hadn't had the opportunity to consider Mr W's complaint, we asked it to do so and provide a final response.

On 7 September 2023, SJP issued its final response. It apologised to Mr W that he'd had to make several requests to receive a charges summary and that these weren't issued to him in a timely manner. It also acknowledged its error in sending a charges summary up to 31 March 2020 for Mr W's investment bonds. It said it had arranged for the correct information to be sent and that the information for Mr W's retirement account was issued on 5 September 2023. It said for Mr W's retirement account, because he hadn't accessed his benefits, it wasn't required to issue charges information, so this wouldn't appear in annual wealth statements. It was available on request prior to accessing benefits, which Mr W had done. It said it hoped Mr W was reassured that it had taken the matter seriously and it offered him £500 in recognition of the distress and inconvenience caused.

Mr W didn't accept SJP's offer. He said he should get at least £1,000 in line with what he'd received before because SJP was continuing to commit similar breaches. He repeated the point about wanting SJP to undertake to provide the charges information in future annual statements. He said they should be provided as a matter of course, which SJP had previously said they were obligated to do. He said SJP should be referred to the Financial Conduct Authority ('FCA') for acting against the Consumer Duty obligations. He also repeated the point about wanting full calculations and not just a summary of the charges.

Because Mr W didn't accept SJP's offer, one of our Investigator's considered the matter. They said that SJP hadn't provided us with its business file – but in summary they thought from its final response that SJP had fairly addressed Mr W's issues in line with our approach. They said it wasn't our role to regulate SJP or to fine or punish it – that was the FCA's role. Overall they said while £500 was more than they would recommend in the circumstances, it was a fair way to settle the complaint. So they didn't think SJP needed to do anything more.

Mr W disagreed. In summary he said that the Investigator's assessment hadn't identified what his complaint was – SJP's offer of £500 was made after he'd logged his complaint. He also said the Investigator hadn't dealt with the point about the FCA's Consumer Duty legislation and they hadn't taken up the matter of the summary of charges being provided instead of a full breakdown. Mr W repeated the point about SJP being obligated to provide him with this information annually, which it had failed to do. He said he was simply asking SJP to adhere to its policy.

The Investigator wasn't persuaded to change their opinion. They repeated the point that our role isn't to fine or punish a business, and they said they had considered SJP's £500 offer to remedy things, which in the circumstances they thought was fair. In an addendum to their assessment of Mr W's complaint, they addressed the point about the Consumer Duty legislation. They said this was a new standard introduced by the FCA, which applies to open products and services from 31 July 2023. They said because it doesn't apply retrospectively and Mr W's complaint is about an event that happened in December 2022, the duty doesn't apply to his complaint. They also said that while Mr W had asked us to instruct SJP to give an undertaking that its annual statements will be in line with the Consumer Duty obligations in the future, this wasn't something they could do. They said Mr W was free to make a complaint in the future if he feels it necessary.

Because things couldn't be resolved informally, the complaint was referred 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've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Having done so, I've reached the same overall conclusion as the Investigator for broadly the same reasons – I've decided SJP's offer of £500 is a fair way to settle this complaint. I'll explain why.

- Mr W has repeatedly referred to SJP's continued regulatory failings or breaches to provide him with the charges information he is seeking. I think it is important here to repeat what the Investigator said about this. The Financial Ombudsman Service is not the industry regulator. It is not our role to police the rules governing financial businesses, to tell it to provide an undertaking to comply with them or to fine or punish them if they don't follow the rules. That is the role of the FCA, which is the financial services industry regulator. Our role is to consider individual complaints against businesses and decide if any wrong doing warrants compensation to put things right. And this is what I have considered here.
- It is not entirely clear to me what charges information was or was not provided by SJP in Mr W's annual wealth statement. Unfortunately SJP didn't respond to our request for its business file, which might have included a copy of Mr W's 2022 year end statement. But in any event, when Mr W wrote to SJP asking for information about the charges applied to his investments, his request appears to have gone unanswered. And following his second request four weeks later, it took SJP around four weeks to provide him with incorrect information about his investment bonds and nothing in relation to his retirement account. It was only after Mr W complained to us in August 2023 that SJP sent him the information the following month.
- So, it is clear that SJP's service fell short of what I think Mr W ought reasonably to have expected and as a result he suffered distress and inconvenience. Mr W had to go to the trouble of chasing things up and complaining to get a response to his request. And this all happened over a period of months.
- SJP has however acknowledged its mistake. It has apologised to Mr W and it has offered him £500 in recognition of the distress and inconvenience causes. Mr W says he thinks £1,000 is more appropriate here to reflect SJP's continuing non-compliance. But I disagree. The award is not meant to punish SJP. And I don't think the impact of SJP's actions (or inaction) on Mr W supports an award at that level. An award at that level would typically involve pain or suffering, which Mr W has not experienced. £500 is also perhaps more than I would typically award in circumstances such as these. But, SJP has offered this amount and says it did so to reflect how seriously it took Mr W's complaint. So, taking everything into account, in the circumstances I think this is a fair way to settle this matter.
- I've said I don't precisely know the nature of the charges information SJP ought to provide with its annual wealth statements. But it appears that Mr W expects more than the summary information SJP ultimately provided him with in September 2023. Mr W says he wants calculations and reference to how the charges are arrived at – if necessary a line by line breakdown based on SJP applying its charges daily. I think it's likely this is the source of the misunderstanding or a difference in expectations when SJP says it is obliged to provide a breakdown of charges on an annual basis in its wealth statements. I think Mr W expects the breakdown to be 'line by line.'

- Looking at the correspondence from Mr W's 2021 complaint he has provided, SJP said that the type of information Mr W was seeking was excessive and would not be possible to provide for all charge types. It said the annual management charges and external management charges are charges in each of the fund prices and are taken daily. For this reason, it said a breakdown would be thousands of lines long. It also said that its systems precluded it from providing this at the time.
- It seems to me that Mr W is seeking the same granular level of detail about his investment charges now as in 2021 when he was told by SJP that it couldn't provide it to him. And while I can see Mr W says he wants this level of detail to check that SJP has deducted the agreed charges and wants it expressed as a percentage of the value of the investments on the day the charges are applied, I don't think it is fair and reasonable for SJP to provide this level of detail. Like SJP concluded in 2021, I think this request is excessive and would impose an unnecessary burden on SJP to produce. So, I won't be directing SJP to provide this level of charges information to Mr W.
- In relation to Mr W's point about the FCA's Consumer Duty – as the Investigator explained, the event Mr W is complaining about is from December 2022 which pre-dates the Consumer Duty. The Consumer Duty applies to open products and services from 31 July 2023, and to closed products and services from 31 July 2024. It doesn't apply to complaints about events that happened before that. For this reason, the Consumer Duty is not a relevant consideration in this case.

Overall, for the reasons I have set out above, I think SJP's offer of £500 to settle this complaint is fair in all the circumstances.

My final decision

St James's Place UK plc has already made an offer to pay £500 to settle this complaint and I think this offer is fair in all the circumstances.

So, my decision is that St James's Place UK plc should pay Mr W £500. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 June 2024.

Paul Featherstone

Ombudsman