DRN-4776477

The complaint

Mrs R complains about the advice given by CBW Financial Planning Limited ('CBW') to transfer the benefits from her defined-benefit ('DB') occupational pension scheme to a self-invested personal pension ('SIPP'). She says the advice was unsuitable for her and believes this has caused a financial loss.

What happened

Mrs R approached CBW in September 2017 as she wanted to discuss her pension and retirement needs. Specifically she wanted advice about transferring her DB scheme benefits because she felt they could be put to better use. Mrs R had already obtained a cash equivalent transfer value ('CETV') from her DB scheme in July 2017. The CETV was £413,011 and was guaranteed until 17 October 2017.

On 13 September 2017 CBW completed a fact-find to gather information about Mrs R's circumstances and objectives. It noted the following: -

- Mrs R was aged 54 and married. Her husband was aged 48 and they had one dependent son.
- She was employed earning £48,000 per year plus a bonus of approximately £7,000. Mr R was also employed earning £53,000 per year.
- Mr and Mrs R had joint monthly net pay of £5,500 and joint net outgoings of £4,531.
- Mr and Mrs R lived in their own home valued at approximately £480,000 with an outstanding mortgage of £150,000.
- Mrs R had no savings and her only investments were £500 in a cash ISA and £100 in premium bonds.
- She was contributing £360 to her employer's save as you earn ('SAYE') scheme. No investment value was noted.
- She had a personal loan of £14,000 (remaining term undocumented), an outstanding credit card balance of £15,000 and a £1,000 overdraft. Mr R had an outstanding credit card balance of £10,000 and a £1,800 overdraft.
- In addition to being a deferred member of her employer's DB scheme Mrs R was also a member of her employer's defined contribution ('DC') scheme which had a fund value of £53,077. Mr R was a member of his employer's DB scheme.

CBW also carried out an assessment of Mrs R's attitude to risk ('ATR'), which it deemed to be 'low-medium/balanced'.

On 16 October 2017, Mrs R signed the transfer forms and CBW immediately instructed the scheme trustees to transfer her benefits before the CETV issued in July 2017 expired. Mrs R's DB scheme was transferred to a SIPP with a provider I shall call 'S'.

On 23 November 2017, CBW sent Mrs R its suitability report in which it set out its recommendation. CBW noted in the report that the transfer to the SIPP had already taken place and that Mrs R's funds were being held in cash pending CBW providing Mrs R with its specific investment recommendation. Within the report CBW recommended that Mrs R's SIPP was invested in a discretionary managed portfolio provided by S. The suitability report noted Mrs R's ATR as 'balanced' or three on a scale of one to five. The suitability report said the reasons for its recommendation were: -

- To review Mrs R's DB scheme;
- To access the flexible death benefits available through a SIPP;
- To have control and flexibility over the way pension benefits were accessed;
- To take the tax-free cash ('TFC') from the SIPP to purchase a property in Florida (this objective wasn't mentioned in the suitability report itself but was cited in the fact-find).

On 24 November 2017 CBW produced a transfer value report as required by the regulator. This stated Mrs R's DB scheme was estimated to provide her with an annual pension at the scheme's normal retirement date ('NRD') of age 60 of £14,641 or TFC of £66,302 and a reduced pension of £11,258.

Mrs R invested her SIPP as recommended by CBW. The amount transferred was £413,011.20 and CBW charged Mrs R O £5,880 for the transfer advice along with an annual management charge of 0.8% of the fund value. In addition there was an annual management charge levied by S of 1.52%.

In May 2018 Mrs R withdrew TFC of £100,000 from her SIPP.

In June 2018, CBW advised Mrs R about income drawdown from her SIPP and in October 2018 it reviewed her discretionary fund manager ('DFM') and recommended a fund switch. At the time of the review Mrs R's SIPP had a value of £275,000.

Mrs R later moved to another financial adviser.

In April 2023 Mrs R complained to CBW that it had failed to place her pension into an investment portfolio that was in line with her ATR. She said she had since been classified as a cautious investor and that she had a low appetite for investment risk. CBW looked into Mrs R's complaint but didn't agree that it had done anything wrong. It said the investments it had recommended to her were in line with her ATR.

Unhappy with the outcome of her complaint to CBW, Mrs R referred her complaint to the Financial Ombudsman Service. One of our Investigators looked into the complaint and recommended that it was upheld and that CBW pay compensation to Mrs R. Our Investigator thought that the transfer was unsuitable and wasn't in Mrs R's best interests as she was unlikely, given her ATR, to have been able to improve on the guaranteed benefits offered by her DB scheme. In addition, our Investigator said that the death benefits on offer weren't worth giving up the guarantees associated with the DB scheme for. So he said Mrs R should have been advised to remain in her DB scheme.

Mrs R agreed with our Investigator's findings but CBW didn't. It said Mrs R was complaining about investment performance not the advice to transfer. And it said she had achieved her objectives of taking TFC early. Further, CBW said Mrs R understood the risks associated with a DB transfer and was willing to accept a potential loss of benefits in exchange for gaining flexibility. CBW said that Mrs R had subsequently changed advisers and had again invested in funds that were not risk free so it didn't think it should be responsible for any losses incurred after she moved agency.

Our Investigator thought about what CBW had said but wasn't persuaded to change his mind. He said that he was unable to consider Mrs R's ATR in isolation and that the starting point had to be the suitability of the transfer itself. He explained that had Mrs R not been advised to transfer there would never have been a complaint about her being invested outside her ATR.

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'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. This includes the Principles for Businesses ('PRIN') and the Conduct of Business Sourcebook ('COBS'). 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.

The applicable rules, regulations and requirements

What follows below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of CBW's actions here.

PRIN 6: *A firm must pay due regard to the interests of its customers and treat them fairly.*

PRIN 7: *A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.*

COBS 2.1.1R: *A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).*

The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability. And the provisions in COBS 19 which specifically relate to a DB pension transfer.

Having considered all of this and the evidence in this case, I've decided to uphold the complaint for largely the same reasons given by the Investigator.

The regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6G that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, CBW should have only considered a transfer if it could clearly demonstrate, on contemporary evidence, that the transfer was in Mrs R's best interests. And having looked at all the evidence available, I'm not satisfied it was in her best interests.

Like our Investigator, I too am aware that Mrs R complained about the suitability of the investments her transferred DB scheme benefits were placed in. I have noted CBW's comments about the specific nature of Mrs R's complaint and that it should not be expanded to include the overall suitability of the advice she received. As CBW knows, Financial businesses are required to treat customers fairly, including in how their complaints are considered and that includes getting to the heart of a complaint. And where a business may not have done so, the Financial Ombudsman Service can, and will, look at the complaint more broadly to ensure the heart of what it is a consumer is complaining about is considered. Often this includes looking beyond what a financial business has looked at.

Here the fact remains that the investment recommendation CBW made only came about because it advised Mrs R to transfer her DB scheme benefits. Thus I cannot consider a complaint about the suitability of the investments CBW recommended without first looking at how Mrs R got there. Put differently, the root cause (or heart) of Mrs R's complaint is the suitability of the advice to transfer.

Had CBW advised Mrs R to remain in her DB scheme there could be no complaint about whether the investment was in line with her ATR. Mrs R's complaint stems from the fact CBW advised her to transfer her DB scheme benefits and, as I will explain below, I don't think CBW's advice was suitable or in Mrs R's best interests.

Financial viability

CBW carried out a transfer value analysis report (as required by the regulator) showing how much Mrs R's pension fund would need to grow by each year in order to provide the same benefits as her DB scheme (known as the critical yield). Mrs R was 54 at the time of the advice. It was noted in the suitability report that she planned to retire at age 65 and that the DB scheme would commence at age 60 if she was still working at that point. The critical yield required to match Mrs R's DB benefits at age 60 was 13% if she took a full pension and 9.52% if she took TFC and a reduced pension.

The advice was given after the regulator gave instructions in Final Guidance FG17/9 as to how businesses could calculate future 'discount rates' in loss assessments where a complaint about a past pension transfer was being upheld. Prior to October 2017 similar rates were published by the Financial Ombudsman Service on our website. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, they provide a useful indication of what growth rates would have been considered reasonably achievable for a typical investor.

The relevant discount rate closest to when the advice was given which I can refer to was published by the Financial Ombudsman Service for the period before 1 October 2017, and was 3.1% per year for 5 years to retirement. I've kept in mind that the regulator's projection rates had also remained unchanged since 2014: the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2%.

I've taken this into account, along with the composition of assets in the discount rate, Mrs R's 'low-medium' ATR and also the term to retirement. There would be little point in Mrs R giving up the guarantees available to her through her DB scheme only to achieve, at best, the same level of benefits outside the scheme. But here, given the lowest critical yield was 9.52%, I think Mrs R was likely to receive benefits of a substantially lower overall value than the DB scheme at retirement, as a result of investing in line with her ATR. I think that it's unlikely that someone with a low-medium/balanced ATR would, if it was fully explained to them, be willing to take the investment risks necessary to achieve an annual investment return in excess of the regulator's upper projection rate to achieve yearly growth of 9.52% just to match the scheme benefits they were giving up.

Mrs R's DB scheme would have provided her at the scheme's NRD of age 60, with an annual income of £11,258 along with TFC of £66,302. The DB scheme was a risk-fee indexed linked scheme which was guaranteed for life, unlike Mrs R's SIPP. CBW forecast that after transferring her CETV to a SIPP, Mrs R's fund would run out by the age of 92. I'm mindful however that this forecast is predicated on a growth rate of 5% each year, every year and does not include any deduction for charges which, for Mrs R's SIPP, amount to 2.32% of her fund value each year. So taking the effect the SIPP charges would have on the growth of her funds into account, I think it is reasonable to assume that Mrs M's SIPP fund was likely to run out some time before she reached age 92.

Also, as CBW will know, past performance is no guarantee for future performance and so I consider the discount rates and the regulator's standard projections to be more realistic in this regard rather than forecasting or projecting historic returns forward.

In the suitability report, CBW assessed Mrs R's ATR to be three on a scale of one to five (or alternatively, 'balanced'). I can see that the answers to each question are scored and that the total score for Mrs R's answers is 28. According to the 'Points Key' on the form this score just tipped Mrs R over the 'balanced' score threshold. The points range for someone with a balanced ATR is 26-38 points.

I would typically expect someone whose ATR is assessed at a level three/balanced to be able to display some evidence of previous investment experience however, there is no evidence that Mrs R had any investment experience; indeed she had no savings (aside from £500 in her ISA and her SAYE scheme) or investments at all. So there was nothing in her profile that, in my view, could lead to the conclusion that Mrs R, someone with no experience of investing in the stock market, should reasonably be classified as someone whose ATR was such that she was willing to take the investment risks necessary to achieve the returns needed so that her personal pension fund grew to a point that it was able to match her DB scheme benefits.

And whilst CBW has said it made sure that Mrs R understood the risks involved in the investment she was making, transparency on the part of CBW is not the same as suitability. I think that it's unlikely that someone with a low-medium ATR would, if it was fully explained to them, be willing to take the investment risks necessary to achieve an annual investment return in excess of 9.52% just to match the scheme benefits being given up. In any event, there would be little advantage to giving up the guarantees associated with a DB scheme just to be able to match – not even exceed – the benefits being given up.

I've thought too about Mrs R's capacity for loss. CBW advised that Mrs R had capacity for loss because the cashflow forecast it had undertaken showed that she could achieve her expenditure requirements in retirement solely from her secure income sources (state pensions and Mr R's DB scheme) and because it would review the position for her annually.

As I have set out above, Mrs M had next to no savings and her only assets were her mortgaged home and her SAYE scheme. In addition Mrs R had some not insignificant debt exposure. Taking these factors into account, I find it hard to agree with CBW that Mrs R's DB scheme was one she had capacity to lose.

The income Mrs R was forecast to receive at retirement from the scheme (if she remained) is, I think, one she didn't have the capacity to lose. Her other (DC) pension scheme was already exposed to investment risk and by transferring it meant all her pension provision would be similarly exposed. Mrs R's DB scheme was a significant pillar of her retirement income and one, I think, she was not in a position to risk. And the fact was that Mrs R's retirement – based on what she told CBW - was eleven years away so it was too early, in my view, to decide to transfer. Mrs R's view of what retirement income she may have needed may have changed by the time she reached retirement age so the DB scheme could have assisted her had it been retained or, if she reached retirement and remained of the view that she wanted to transfer, then she could have transferred it at that point.

For this reason alone a transfer out of the DB scheme wasn't in Mrs R's best interests. Of course financial viability isn't the only consideration when giving transfer advice, there might be other considerations which mean a transfer is suitable, despite providing overall lower benefits. I've considered this below.

Flexibility and income needs

Two of the four objectives CBW noted for transferring Mrs R's DB scheme were that she wanted flexibility and control over her retirement income and that she wanted TFC from the transferred pension in order to buy a property in Florida.

I've not seen any evidence that Mrs R had a strong need for variable income throughout her retirement. Indeed CBW carried out only a limited assessment of what Mrs R's retirement income needs would be, and how she might meet them, by merely deducting her mortgage and loan repayments from her current monthly expenditure. Similarly, there is no analysis in the suitability report as to why the guaranteed income the DB scheme would provide didn't meet Mrs R's retirement income needs.

CBW noted that Mrs R's retirement income needs could be met from her and her husband's guaranteed income (by which I assume it meant employment income initially followed by Mr R's DB scheme and both their state pensions). CBW forecast that Mr and Mrs R would need an annual retirement income of circa £28,000 but I've seen no analysis of their state pension entitlement nor what Mr R's DB scheme was forecast to provide in order to cover their essential expenses. And there appears to have been no concrete retirement plans in place, nor any analysis undertaken by CBW with Mrs R about what retirement might look like for her.

Mrs R said she wanted flexibility because she wanted to make the most of her early retirement years; she said she expected her expenditure to reduce in later life. But I don't think Mrs R needed to need to transfer her DB scheme to either be able to retire early or to have flexibility around the way she accessed her retirement benefits.

I say this because Mrs R had her DC scheme which, at the time of the advice, had an approximate fund value of £53,000 and which would continue to increase as Mrs R said she wished to continue working for the next decade. The DC scheme is such that it can provide Mrs M with any flexibility in the way she draws her retirement income that she thinks she needs. But I can't see that CBW placed any emphasis on this option.

It follows that without understanding what Mrs R's retirement would really look like, and what her income needs would likely be, I think it was too soon to make the irreversible decision to transfer her guaranteed benefits.

Mrs R told CBW during their fact-find meeting that she and her husband had an ambition to buy a property in Florida and that she potentially wanted to use some of her funds to put towards the deposit. Mrs R said the maximum purchase price was likely to be £200,000 and that the intention was to rent it out some of the time and for the rent to pay for any borrowing necessary to complete the purchase. As CBW noted in the suitability report, at the time of the advice, this objective was still an 'unknown' in terms of when and how. I can see that CBW said it hadn't focussed on it as the main objective for driving the transfer, merely noting that it reflected Mrs R's desire to take advantage of the flexibility that the transfer would provide.

But without understanding whether this was a realisable objective, and what capital might be needed in order to make the ambition a reality, it wasn't in Mrs R's best interests to make an irreversible decision to transfer her guaranteed DB benefits. I can't see that CBW explored with Mrs R what capital she would actually need and whether there was another way, such as accessing the TFC from her DB scheme, for her to meet this specific objective.

Mrs R's DB scheme permitted early retirement from the age of 55 – which was only a few months after the date CBW advised her – albeit that early retirement factors would be applied to her benefits for taking them before the scheme's NRD. I can see that CBW said that the DB scheme trustees hadn't provided any information about what the early retirement factors were so it was only able to estimate what taking a full pension (and no TFC) at age 55 would be. But I think if CBW was acting in Mrs R's best interests it should have obtained this information and put it as an option to Mrs R so that she could make a decision about what do from a fully informed perspective.

I can't see either that CBW challenged Mrs R on any urgency she may have felt to purchase a property in Florida. I think if it had Mrs R's best interests in mind, CBW should have interrogated the timeline for the purchase and have advised her that it was in her best interests to wait until she was ready to proceed before attempting to access any TFC. In so doing, Mrs R would have been able to retain the valuable guarantees provided by her DB scheme. This objective should have been scrutinised by CBW and led it to explore other ways it could be achieved.

But by failing to provide Mrs R with all the information she needed about the options she had, she wasn't able to make a fully informed decision about what was action was best for her to take. So I don't think that CBW acted in Mrs R's best interests in this regard.

Death benefits

Death benefits are an emotive subject and of course when asked, most people would like their loved ones to be taken care of when they die. The lump sum death benefits on offer through a personal pension was likely an attractive feature to Mrs R. But whilst I appreciate death benefits are important to consumers, and Mrs R might have thought it was a good idea to transfer her DB scheme to a personal pension because of this, the priority here was to advise Mrs R about what was best for her retirement provisions. A pension is primarily designed to provide income in retirement. And I don't think CBW explored to what extent Mrs R was prepared to accept a lower retirement income in exchange for higher death benefits.

I also think the existing death benefits attached to the DB scheme were underplayed. Mrs R was married with a dependent child and so the spouse and dependent's pension provided by the DB scheme would've been useful to her husband and son (particularly as he intended to continue with his education into his twenties and the scheme paid a dependent's pension until age 23 if in full time education) if Mrs R predeceased them. I don't think CBW made the value of this benefit clear enough to Mrs R. It was guaranteed and it escalated – it was not dependent on investment performance, whereas the sum remaining on death in a personal pension was. And as the cashflow analysis shows, the fund may have been depleted particularly if Mrs R lived a long life.

In any event, CBW should not have encouraged Mrs R to prioritise the potential for higher death benefits through a personal pension over her security in retirement. This is further underscored by the fact that the intention at the outset was to deplete the fund to purchase an overseas property to the extent that it would immediately be significantly reduced in value.

Furthermore, if Mrs R genuinely wanted to leave a legacy for her husband and son, which didn't depend on investment returns or how much of her pension fund remained on her death, I think CBW should've instead explored life insurance. The starting point for any such discussion ought to have been to ask Mrs R how much she would ideally like to leave to her husband and son, and then this could've been explored on a whole of life or term assurance basis.

Overall, I don't think different death benefits available through a transfer to a SIPP justified the likely decrease of retirement benefits for Mrs R. And I don't think that insurance was properly explored as an alternative.

Use of DFM

CBW recommended that Mrs R use a DFM to manage her pension funds. As I'm upholding the complaint on the grounds that a transfer out of the DB scheme wasn't suitable for Mrs R, it follows that I don't need to consider the suitability of the investment recommendation. This is because Mrs R should have been advised to remain in the DB scheme and so the DFM would not have had the opportunity to manage her funds if suitable advice had been given.

Summary

I don't doubt that the flexibility, control and potential for higher death benefits on offer through a personal pension would have sounded like attractive features to Mrs R. But CBW wasn't there to just transact what Mrs R might have thought she wanted. The adviser's role was to really understand what Mrs R needed and recommend what was in her best interests.

Ultimately, I don't think the advice given to Mrs R was suitable. She was giving up a guaranteed, risk-free and increasing income. By transferring, Mrs R was very likely to obtain lower retirement benefits and in my view, there were no other particular reasons which would justify a transfer and outweigh this. Mrs R shouldn't have been advised to transfer out of the scheme to fund a deposit to buy a holiday home and because she thought she wanted flexibility about how she drew her benefits in retirement. Buying a property abroad was a 'nice to have' but should not have come at the expense of a guaranteed retirement income. And the potential for higher death benefits wasn't worth giving up the guarantees associated with her DB scheme for.

So, I think CBW should've advised Mrs R to remain in her DB scheme.

Of course, I have to consider whether Mrs R would've gone ahead anyway, against CBW's advice. I've considered this carefully, but I'm not persuaded that Mrs R would've insisted on transferring out of the DB scheme, against CBW's advice. I say this because Mrs R was an inexperienced investor with a low-medium/balanced ATR and her DB pension accounted for the majority of her retirement provision. So, if CBW had provided her with clear advice against transferring out of the DB scheme, explaining why it wasn't in her best interests, I think she would've accepted that advice.

I'm not persuaded that Mrs R's concerns about flexibility and death benefits were so great that she would've insisted on the transfer knowing that a professional adviser, whose expertise she had sought out, didn't think it was suitable for her or in her best interests. If CBW had explained that Mrs R could meet all of her objectives without risking her guaranteed pension, I think that would've carried significant weight. So, I don't think Mrs R would have insisted on transferring out of the DB scheme.

In light of the above, I think CBW should have advised Mrs R to remain in her DB scheme. I don't think that there was a compelling need that meant that the transfer was in Mrs R's best interests such that it justified the guaranteed, risk-free benefits Mrs R was given up. I accept that Mrs R's complaint was framed around CBW placing her in investments that weren't in line with her ATR but, as I have explained above I cannot consider a complaint about the suitability of the investments CBW recommended without first looking at how Mrs R got there. And for the reasons I have given here, I think CBW failed to suitably advise Mrs R to transfer but for which, she would not have invested in the recommended investments in any event.

It follows that I think that CBW should compensate Mrs R for the unsuitable advice, in line with the regulator's rules for calculating redress for non-compliant pension transfer advice.

Putting things right

A fair and reasonable outcome would be for the business to put Mrs R as far as possible, into the position she would now be in but for the unsuitable advice. I consider Mrs R would have most likely remained in the occupational pension scheme if suitable advice had been given.

CBW must therefore undertake a redress calculation in line with the rules for calculating redress for non-compliant pension transfer advice, as detailed in policy statement PS22/13 and set out in the regulator's handbook in DISP App 4: https://www.handbook.fca.org.uk/handbook/DISP/App/4/?view=chapter.

For clarity, Mrs R has not yet retired, and she has no plans to do so at present. So, compensation should be based on the scheme's normal retirement age of 60, as per the usual assumptions in the FCA's guidance.

This calculation should be carried out using the most recent financial assumptions in line with PS22/13 and DISP App 4. In accordance with the regulator's expectations, this should be undertaken or submitted to an appropriate provider promptly following receipt of notification of Mrs R's acceptance of the decision.

If the redress calculation demonstrates a loss, as explained in policy statement PS22/13 and set out in DISP App 4, CBW should:

- calculate and offer Mrs R redress as a cash lump sum payment,
- explain to Mrs R before starting the redress calculation that:
    - her redress will be calculated on the basis that it will be invested prudently (in line with the cautious investment return assumption used in the calculation), and
    - a straightforward way to invest her redress prudently is to use it to augment her DC pension
- offer to calculate how much of any redress Mrs R receives could be augmented rather than receiving it all as a cash lump sum,
- if Mrs R accepts CBW's offer to calculate how much of her redress could be augmented, request the necessary information and not charge Mrs R for the calculation, even if she ultimately decides not to have any of her redress augmented, and
- take a prudent approach when calculating how much redress could be augmented, given the inherent uncertainty around Mrs R's end of year tax position.

Redress paid to Mrs R as a cash lump sum includes compensation in respect of benefits that would otherwise have provided a taxable income. So, in line with DISP App 4, CBW may make a notional deduction to cash lump sum payments to take account of tax that consumers would otherwise pay on income from their pension. Typically, 25% of the loss could have been taken as tax-free cash and 75% would have been taxed according to Mrs R's likely income tax rate in retirement – presumed to be 20%**.** So making a notional deduction of 15% overall from the loss adequately reflects this.

Where I uphold a complaint, I can award fair compensation of up to £190,000, plus any interest and/or costs that I consider are appropriate. Where I consider that fair compensation requires payment of an amount that might exceed £190,000, I may recommend that the business pays the balance.

My final decision

Determination and money award: I uphold this complaint and require CBW Financial Planning Limited to pay Mrs R the compensation amount as set out in the steps above, up to a maximum of £190,000.

Recommendation: If the compensation amount exceeds £190,000, I also recommend that CBW Financial Planning Limited pays Mrs R the balance.

If Mrs R accepts this decision, the money award becomes binding on CBW Financial Planning Limited.

My recommendation would not be binding. Further, it's unlikely that Mrs R can accept my decision and go to court to ask for the balance. Mrs R may want to consider getting independent legal advice before deciding whether to accept any final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 28 August 2024.
Claire Woollerson
Ombudsman