The complaint

Mrs M complains that True Potential Wealth Management LLP (True Potential) misrepresented and mis-sold its products to her when she switched to its platform following its takeover of her previous adviser's business. She also complains about the level of service it provided considering its "high" ongoing fees.

What happened

Mrs M says she had used the services of her independent financial adviser for around 20 years. Around four to five years ago he advised her to transfer her pension and ISA investments to a new provider/platform.

In February 2022 she met with the adviser who says he had informed her that True Potential had purchased his business and book of clients. She says that at that meeting he helped her to complete the relevant forms online to transfer her personal pension and ISA to True Potential's platform. Mrs M says she thought this was simply a transfer so that she could see her existing investments on a new platform as opposed to being a transfer to new "products" with a new advisory firm.

Mrs M says that subsequently she had reason to complain about the length of time the ISA took to be transferred (around four months), which she thought led to a financial loss of around £9,000. She also says she wasn't happy with the performance of her new portfolio and had to ask True Potential for an annual review 12 months later as she hadn't received any ongoing advice to that point. When a review was subsequently carried out Mrs M says she didn't understand the content of the report she was provided with, and complained more generally about not being made aware that she had actually transferred her existing plans to new plans with True Potential in 2022, and hadn't been told about the risks involved or received any ongoing advice.

She said the transfer had the effect of making her a "self-investor" – which she had never been and did not wish to become. She thought there was a financial incentive for True Potential to transfer assets from small advisers that it had taken over to its own products and that her adviser would have earned fees for doing so.

True Potential said that the transfer of Mrs M's pension and ISA was as a result of a "direct marketing offer" in January 2022. It said these offers were made to newly joined or potential new clients to make them aware of the opportunity to transfer their existing investments to its products on a non-advised basis. True Potential said Mrs M could only review the offer following an email sent to her and she had to log in to its website using her own details.
It said Mrs M then had to confirm that she hadn't received any advice and should do so if she wasn't sure if the new products and investment strategy were suitable for her. True Potential noted it had no record of any evidence to suggest a recommendation had been made to her – such as a completed fact find, analysis of the investments, or a suitability report, and no initial advice fee had been charged.

It also explained that it had provided Mrs M with a terms of business letter which explained the ongoing service she would receive and the ongoing charges that would be applied. It thought it had provided the service in line with its fees.

True Potential said that any delay in transferring the ISA had been due to errors from the ceding provider and this also explained the fall in its value. While the performance of the pension plan – and the risk category of the investments – was down to her own investment choices when she completed the application.

Mrs M believed she'd been advised to transfer by her adviser and that he'd completed the relevant forms. She also didn't believe she'd been made aware of the charges involved and that she hadn't received the service promised for these fees. So she brought her complaint to us where one of our investigators looked into the matter. He didn't think the complaint should be upheld making the following points in support of his assessment:

- It would appear the delay in transferring the ISA was caused by the ceding provider not recognising an account reference number, despite True Potential confirming the number was correct and making several requests to complete the transfer before being asked to use a paper based application. The evidence would suggest the delay wasn't caused by True Potential even though it may not have kept Mrs M as fully updated as it might have done along the way.
- All the evidence he'd seen would suggest True Potential did provide a direct offer to transfer the investments and that Mrs M entered into this process. And a questionnaire that was sent to Mrs M afterwards would suggest that she was aware this had been a non-advised transfer and she'd been comfortable with that process.
- There was no evidence of the requirements of an advised process – such as a fact find or suitability report, and nothing to suggest that an initial advice fee had been charged.
- He thought True Potential had been clear that it would apply ongoing service and platform charges and had provided this information before the transfer completed. He accepted the new ongoing service would be more "centralised" unlike the face to face service Mrs M had been used to – but thought that True Potential had carried an annual review in 2023 as promised and that Mrs M had used its online platform many times since the transfer.
- He said he hadn't seen any clear evidence of misinformation, poor administration, or poor service on the part of True Potential and therefore couldn't reasonably uphold the complaint.

Mrs M didn't agree she said:

- True Potential hadn't proved that the letter from her existing adviser explaining he'd be working under its umbrella was sent or received. But even if it had been sent it suggested nothing would be changing which supports her claim that she didn't need to transfer her investments to True Potential's platform.
- There was no record of the "digital direct marketing offer". She hadn't invited True Potential to make such an offer and she wasn't given the choice to seek independent financial advice or not to transfer as part of any "offer".
- The evidence she submitted showed that she didn't complete the transfer forms and that she was "advised" by her previous longstanding adviser who also signed the

forms.

- There was no evidence of an annual review in 2022 and the review in 2023 consisted solely of completing a questionnaire. And she didn't think it was unreasonable for her to have "semi-contact" with True Potential over various matters – particularly when she wanted to withdraw funds.
- She thought the ISA transfer application noted a section for transferring "in-specie". But even if sale and repurchase were necessary the risks involved weren't explained to her.
- Her complaint is that she was advised to transfer by her previous adviser. She didn't think he was clear about his involvement with True Potential, and he didn't properly explain the transfer process or the risks involved. She felt she was forced to transfer her investments without being able to make an informed choice.
- She had no recollection of receiving the questionnaire in February 2022 which True Potential said confirmed her acceptance of the non-advised process.
- She thought, from her previous reliance on her adviser and lack of financial experience, that this supported the idea that she wouldn't have decided to transfer her entire savings and retirement provision to a new provider herself without taking advice. She also provided details of a text message the adviser sent her in September 2022 in which he confirmed he now worked for True Potential. She questioned why he would need to confirm that status if he'd made her fully aware of the move in January and February 2022.

The investigator wasn't persuaded to change his view, so Mrs M asked for her complaint to be passed to an ombudsman – so it's been passed to me to review.

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.

And having done so I've reached the same conclusion as the investigator. I understand this isn't the outcome Mrs M would have hoped for, so I'll explain my reasons.

*Was the adviser's relationship with True Potential explained?*

I've seen a copy of a letter that True Potential sent to the adviser's client base via an online client site in January 2022, explaining his acceptance of an offer to move his business to be under True Potential's management. The letter set out that True Potential would "*now take over the servicing of your investments."* It went on to set out some background about True Potential – and its service, which included:

- *Highly qualified financial advice whenever you need it*
- *Low ongoing fee of 0.5% per year*
- *Access to a dedicated support team*
- *24/7 access to your investments, online and by app*
- *Exclusive investment solutions including True Potential Portfolios*
- *World-first impulseSave top-up technology*

So I think the letter was clear about the change that was going to happen and the ongoing service – and costs – that Mrs M could expect to see. However Mrs M has told us that she didn't receive that letter and True Potential has only been able to provide a generic copy of the letter sent to all the adviser's clients, so I can't reasonably confirm the letter was sent or received by Mrs M.

But Mrs M has also told us that the adviser came to her house the following month and *"pressured*" her to "*complete something online for True Potential.*" So even if Mrs M hadn't seen the letter explaining the change of adviser status I think she was aware of the link with True Potential when she met with the adviser. And if this was a surprise to Mrs M or something she hadn't been told about I would have expected her to have raised some questions with the adviser about what this meant for her. I understand Mrs M was experiencing some personal and family issues at that time and has also told us that she trusted her adviser who had been looking after for around 20 years, but I would still have expected her to have at least asked about what she might expect from the change in the management and servicing of her plan.

So I'm satisfied that True Potential and the adviser met any regulatory requirements in making Mrs M aware of the change in business owner and what ongoing services it would provide and at what cost. Along with the letter it issued dated 31 January 2022 it also enclosed a "*do more with your money*" brochure and its then current terms of business. So, and I accept that Mrs M says she didn't receive the letter, I can't reasonably say that True Potential didn't do everything it should have done to make her aware of how any changes might affect her relationship with it.

Was Mrs M advised to transfer her ISA and pension to True Potential?

Mrs M says that when her adviser came to see her in February 2022, she understood he was just helping her complete some online forms to transfer her existing plans to the True Potential platform. She said she trusted his advice – which he had provided her for around 20 years – and assumed it was a transfer to a new platform similar to what she had gone through some years before. She said she wasn't made aware she was transferring to completely new products and portfolios, nor was she made aware of the costs or risks involved or whether the new plans were right for her situation. She was clear that she had been advised to transfer.

Whereas True Potential says that, as part of its process, it often sends direct digital marketing offers to new clients as an opportunity to switch to its products – as long as they are of a similar nature. In this case it was to transfer her existing pension and ISA plans to the same type of True Potential investments. It says the application was made by Mrs M herself and it has no record of any documents – such as a fact find or suitability report – which might have suggested she was given advice.

As I said previously, I'm satisfied that True Potential did try to make Mrs M aware that it would be taking over the management and servicing of her existing plans onto the True Potential platform. And that even if Mrs M didn't see the information it provided about that change it would seem she was aware that the adviser's reason for being at her home in February 2022 involved making some kind of switch to True Potential. But Mrs M says she was *advised* to transfer her plans at that point, so I've looked carefully at the evidence I've been provided with around that meeting to see if she was given advice to transfer.

I asked Mrs M to provide some further background about the completion of the online forms on the date in question. She confirmed that the adviser didn't have any means of completing forms for her and that she remembered "*feeling hassled/pressure by (the adviser) to complete something online for True Potential.*" That would suggest that it was Mrs M that completed the relevant forms online and that she was aware it was to do with True Potential. Mrs M says she didn't know what the forms were for and that she just did as her adviser told her. There's no contemporaneous evidence to confirm what discussions might have occurred or what the adviser said – although I have no reason to doubt Mrs M's version of events or the feelings of "pressure" she felt.

But there is evidence to demonstrate the online process Mrs M had to negotiate in the form of a number of screenshots I've been supplied with. The initial page Mrs M would have seen said, "*transferring a pension might not be right for everyone. Before deciding whether to transfer, please refer to the information below…. your financial adviser has not assessed your individual circumstances to enable individual financial advice to be provided in respect of this transaction, nor whether your existing investments are higher charged than those available from True Potential investments. This offer is designed for investors who wish to make their own investment decisions – if you are unsure of whether his is suitable for you, you should contact your financial adviser and request a personal recommendation…. You will not be charged an initial fee to transfer your pension to True Potential investments. You will however be charged an annual servicing fee, which is 0.5% of the value of your personal pension…The servicing fee will automatically be deducted from your personal pension n a monthly basis."*

I think this information was clear in that it stated that a transfer of Mrs M's plans would be taking place if she continued, and that no advice had been given and should be sought if she was unsure of anything. In addition, details of the charges involved were noted and attention was drawn to the ongoing servicing charge of 0.5%. Mrs M also needed to tick a box at the foot of the page to acknowledge she understood and accepted the terms and conditions before she could proceed.

I know Mrs M says that she was advised to transfer by her previous adviser. She didn't think he was clear about his involvement with True Potential, and he didn't properly explain the transfer process, or the risks involved – although I wouldn't have expected the adviser to have done any of things if he wasn't giving her any advice. But Mrs M says she felt she was forced to transfer her investments without being able to make an informed choice.

From what I've seen, and I accept there's no evidence to support what might have been said during the meeting, it seemed the adviser simply helped Mrs M to complete the transfer forms. I've seen nothing to support the claim that the adviser gave advice, or coerced Mrs M into setting up the transfer. So I can't fairly say that the adviser gave Mrs M any advice during the transfer process.

I appreciate that this process has caused Mrs M significant upset and I'm sorry that she's been through a difficult time. I can see that she felt she'd been given advice to transfer by a person she's trusted in the past, and now believes that she's lost out because of this. So I understand why she's been upset by this complaint. But I've not seen any evidence that Mrs M was advised to transfer, and I've given more weight to the contemporaneous evidence from True Potential that Mrs M was told – through the online process – that this was a non-advised process and designed for investors who wished to make their own investment decisions, and that an ongoing service charge would be applied. I can't reasonably say True potential did anything wrong as I think it explained the terms of the "direct offer" as I would have expected it to.

I also note that Mrs M completed a survey which was sent to her by True Potential following the completion of the transfers. The basis of the questionnaire was to confirm that the transfer was Mrs M's own decision and that she completed the process herself and chose – without influence from anyone else – the investments portfolios. Other questions included whether Mrs M read all the available documentation and understood the charges involved. If, upon being asked these questions, Mrs M thought that she'd been advised to transfer and had been “pressured” into completing the forms, I would have expected her to raise that concern with True Potential at that time.

As I said previously I don’t have any details of the conversation that took place between Mrs M and her adviser so I can’t discount her belief that she was “pressured” into completing the transfer process and told what to do. But I think the warnings and information True Potential provided during and after the process ought to have made her aware that if she felt she was “advised” she ought to have raised that with True Potential if it wasn’t in line with the terms of the direct digital offer to transfer to its products.

Did True Potential provide the ongoing service Mrs M paid for?

True Potential set out its ongoing service and charges in a number of documents it says were made available to Mrs M before the transfers.

Its terms of business letter said, “*as a client, if you decide you wish to receive ongoing service then the following will form part of our ongoing service proposition to you:*

• As a client, you are supported and empowered 24 hours a day, 7 days a week through your personalised client website.

• We will also store a copy of our recommendations, supporting information and any other important documents you provide on this site.

• Our advisers will ensure that they review your financial affairs at least once a year to assess the ongoing suitability of all products where an ongoing service fee is being paid to your adviser, by offering you phone or webinar meetings when required. These can be arranged at a time, location and frequency that best suits your needs.

• If you have any questions, want to make any adjustments or if your personal situation changes, you can use the secure messaging system on your site to contact your adviser. Alternatively, you can reach a member of our True Potential team by phone or in writing.

We will advise you on True Potential Portfolios and tax wrappers held on the True Potential Wealth Platform.

Non-Advised Investments and Pensions

Our non-advised services are charged based on:
• an initial fee;*
• an ongoing advice fee;
• or both of the above.

**An initial fee will only be levied for a self-service transaction initiated by you through your Client Site or via impulseSave. Any Direct Marketing Offer, either by post or online, which was initiated by True Potential Wealth Management sending you an offer, will only have an ongoing advice fee.*

Non-advised initial fees are a percentage of your investment, and ongoing fees may be a fixed fee or a percentage of your investment. If the ongoing fee is based on a percentage of the investment, the fee may vary depending on the valuation.”

This was also confirmed in the illustration which said ongoing advice charges would be 0.5% of the fund values. Of course I have to take into account that Mrs M says she didn’t receive this information so I can’t be sure she saw it, but it was also confirmed on the first page of the online transfer process which said, *“you will not be charged an initial fee to transfer your pension to True Potential investments. You will however be charged an annual servicing fee, which is 0.5% of the value of your personal pension…The servicing fee will automatically be deducted from your personal pension on a monthly basis.”*

I’m satisfied Mrs M would have seen this information and that True Potential ultimately didn’t charge an initial fee – which also supports the claim that it didn’t give advice – but did begin to apply the annual advice fee. So I think True Potential set out its ongoing service and costs in the way I would have expected it. But Mrs M says she didn’t receive the ongoing service she was promised and that it was “centralised” and not the personal face to face review she had been used to. So I’ve looked the evidence I’ve been presented with to see if an appropriate service was provided.

The ISA transfer was delayed to due administration issues with the other provider (which I’ll touch upon later) and wasn’t fully completed until around three months later. So I would have expected True Potential’s annual review to have been completed around 12 months later.

Mrs M says that it was only when she contacted True Potential during 2023 about the performance of her plan that it carried out its review. But nonetheless it did conduct an annual review in July 2023 and send Mrs M a report soon after. So I’m satisfied that, even if it required a prompt from Mrs M, a review was conducted around 12 months after the initial transfers completed. I’ve looked at a copy of the review report and note it looked at Mrs M’s longer term goals, reviewed her attitude to risk, and confirmed if there were any changes to her income, expenditure, and personal circumstances. It said it would contact her to discuss the changes that had been confirmed.

So I think True Potential did refer to a meeting, named it as an annual review and outlined having discussed what I’d expect - sources of income, attitude to risk, personal circumstances and any changes to all of these. So overall I’m satisfied this did constitute an annual review. I’m also satisfied that the other aspects of True Potential’s ongoing service, such as 24 hour support through its website and secure messaging servicing, and storing important information and documents on the site were also made available to Mrs M. And, while I can understand Mrs M’s frustration that the meetings were held centrally instead of the face to face option her adviser had previously provided, the terms of business do set out that reviews are by way of “*offering you phone or webinar meetings when required. These can be arranged at a time, location and frequency that best suits your needs.”* So, while this might not be as Mrs M would have liked I can’t reasonably say that True Potential didn’t offer annual reviews in the way that it said it would.

Mrs M has also said that as a result of transferring her plans she became a “self- investor” which she had never been and had no desire to become. And Mrs M is right to say that having to choose a portfolio in line with her attitude to risk when she completed her applications did require her to make a decision about which investment strategy she should follow. But having done that her portfolio was then managed and rebalanced to ensure it remained in line with its stated risk profile and any changes which might have subsequently been recommended to her investment strategy would have most likely followed an annual review and reconfirmation of her attitude to risk.

<u>*The delay to the ISA transfer and loss in the value of the funds*</u>

Part of Mrs M’s complaint was that the transfer of her ISA was delayed by around three months or so thereby causing the value of her plan to fall significantly. She says the ISA could have been transferred in-specie but as the assets were sold to cash this caused the fall in value as her cash was “out of the market” for a considerable time. So I’ve looked carefully at the transfer process of the ISA to see if True Potential's administration could have been responsible for the delay.

I've seen a summary copy of the online ISA transfer application from February 2022. As I've already said previously that I don't think Mrs M was given advice during the process I have to conclude that the application was completed according to Mrs M's instructions. I've also seen a copy of the audit trail that followed between True Potential and the ceding provider, and it would seem that after True Potential submitted the transfer request on the electronic transfer system it was rejected a number of times by the other provider because either the plan number wasn't recognised, or it was unable to identify the plan. On each occasion True potential provided details of the plan number and I'm satisfied that the number was correct detailed.

I'm unaware of the reason the ceding provider couldn't locate the plan or why it wasn't able to identify Mrs M from alternative information, but ultimately it asked True Potential to submit a paper application to progress the transfer which I note was completed in April 2022. Thereafter and, allowing for the fact the assets had to be encashed and re registration of one asset was needed, I'm satisfied the transfer completed in a timely manner.

I think True Potential reacted to each request for further information from the ceding provider in a timely manner and I'm satisfied it didn't do anything wrong during the process and ultimately that it wasn't responsible for the delay which may have occurred.

It's unfortunate that during this time Mrs M's assets fell in value either while they remained invested or while they were encashed after 21 April 2022 awaiting transfer, but I can't reasonably hold True Potential responsible for that based on the evidence that I've been provided with. So I can't say True Potential was responsible for any loss in the value of Mrs M's transfer value as a result of its part in the process.

My final decision

For the reasons that I've given I don't uphold Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 10 April 2025.

Keith Lawrence
Ombudsman