

The complaint

Mr H (the late Mrs H's husband who I will refer to as Mr H1), Mr H2 (their son) and Mr H3 (their son) complain about the failings by Argentis Wealth Management Ltd when it recommended and subsequently arranged dependents' pensions following the passing of the late Mrs H.

What happened

The complaint was considered by one of our investigators. She sent the parties her assessment of it on 26 April 2024. The background and circumstances to the complaint are known by both parties. So I won't repeat them all again here. However very briefly, the late Mrs H was advised to transfer her pension from a defined benefit scheme to a personal pension arrangement in 2022. Mrs H had a life limiting medical condition and one of the main reasons for the transfer was to ensure that her two sons benefitted from her pension. It's not disputed that a transfer, in itself, was appropriate in the circumstances.

Mrs H's expression of wish was that her two sons inherited a 35% share of her pension each – the remainder going to Mr H1. Mrs H passed away in November 2022. It subsequently transpired that, for technical reasons, the pension provider that her pension had been transferred to wasn't appropriate, as it couldn't set up dependents' pensions for Mr H2 and Mr H3 given the particular circumstances. So an alternative pension provider needed to be sourced, and Mr H2 and H3's pensions transferred to set up their dependents' pension arrangements.

A letter was sent to Argentis by the pension provider dated 16 January 2023. This confirmed the three shares - 30% for Mr H1, and 35% each for Mr H2 and H3, and it set out the options available to them.

An initial meeting about a transfer was held with Mr H2 on 16 February 2023, and on 2 March 2023 for Mr H3. A fact find for Mr H3 was completed on 11 April 2023, and for Mr H2 on 24 July 2023. Recommendation reports were sent to Mr H3 around 21 June 2023, and 17 August 2023 for Mr H2. The transfers weren't finally completed until 18 and 24 October 2023 for Mr H2 and Mr H3 respectively.

A complaint was made to Argentis. Argentis ultimately acknowledged that it had failed to identify that the originally recommended pension provider for Mrs H's original transfer wasn't appropriate, and acknowledged and apologised for the delays in setting up the dependents' pensions. Argentis accepted that it hadn't provided an acceptable level of service overall, and this had caused distress and inconvenience.

Argentis compared the position of the two sons' pensions assuming they had both been transferred in a timely manner. It found that Mr H2 had lost out as a result of the delays, and that Mr H3 had made a gain. It offered monetary compensation to Mr H2 to put him into the same position as Mr H3 and '*ensure parity for both sons*'. Argentis offered an apology, and a goodwill gesture to donate £1,000 to charity. It also offered £250 each to the three complainants for the distress and inconvenience caused by the matter.

The donation to charity was accepted in principle. However the £250s weren't accepted. Argentis subsequently offered another £250 to Mr H1. So £500 in total to Mr H1.

On reviewing the matter, our investigator thought that what Argentis had offered was sufficient to put right its errors and account for the distress and inconvenience caused. So she didn't recommend that Argentis needed to do more.

Mr H1, acting for the complainants, didn't agree with the investigator's findings. He raised several points, and there were further exchanges between Mr H1 and the investigator. Ultimately Mr H1 didn't accept the investigator's assessment, and therefore the complaint was passed to me to decide.

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.

As I've said above, Mr H1 raised a number of points when responding to the investigator's assessment of his complaint. He also said some of the investigator's understanding of the matter was incorrect. I've carefully considered what he's said in making my final decision as outlined below.

I agree with Mr H1 that is the total time taken to arrange the dependents' pensions that is relevant here - the lengthy period resulting both from the initial inappropriateness of the original provider recommended for Mrs H's transfer, and then the delays that Argentis were responsible for when subsequently arranging the transfers and dependents' pensions. I don't think the time taken was acceptable. But this isn't in dispute – it's clear there were several occasions where Argentis failed to provide a timely and efficient service.

Mr H1 has said that the time taken for Argentis to issue a final response which was over 18 weeks was also unacceptable. And he has asked who will censure Argentis for this, and queried whether we report its failings to the FCA. Mr H has also previously said he thinks Argentis deserve '*...their knuckles to be severely rapped.*'

The Financial Ombudsman Service doesn't have any powers to fine or punish firms - that is the role of the regulator – the Financial Conduct Authority (FCA). We consider the particular circumstances of a complaint, and an Ombudsman can make an award for financial losses suffered as a result of a firm's failings, as well as an award, for example, for any distress and inconvenience caused. We do share information with the FCA where it is appropriate to do so. However that wouldn't necessarily be where we come across a single case of untimely behaviour by a firm - that wouldn't be practical and effectively result in information overload.

Mr H wanted to make clear that although the original transfer of Mrs H's pension itself was appropriate, his complaint was about the unsuitability of the pension provider selected for that transfer. And that, given the original provider was unsuitable, it didn't meet Mrs H's overall objectives. He's said this wasn't picked up in subsequent reviews, and so he thought the initial and ongoing advice fees paid (relating to Mrs H and Mr H1's pensions) should be refunded.

It's clear from the original recommendation report sent to Mrs H that providing for her sons was an important objective for her in transferring. However as set out above, Argentis have acknowledged its error, and it's not in dispute that the pension provider selected for the transfer wasn't appropriate in the particular circumstances.

As I've said, an ombudsman can make an award for financial losses. The ultimate aim in

awarding fair compensation is to try, as far as possible, to put the complainant(s) back into the position that they would have been in but for a firm's failings.

Argentis calculated what Mr H2 and Mr H3's position would have been had the process been completed in a timely manner. Argentis said Mr H2 lost out by just over 165 units. So buying back those 165 units would put Mr H2 back into the position he should have been in. However Argentis offered to pay a cash sum in lieu of 3,064 units which it said was to match the position of Mr H3 (who made a gain), and ensure parity between Mr H2 and Mr H3. So this is significantly more than we would say was appropriate to put Mr H2 back into the position he should have been in.

If the fees are refunded, this also effectively puts the complainants into a better position than they would otherwise have been in had the process been error free from the off; they would be in the financial position they should have been in following the offer to compensate for financial loss (if not better), but without having paid the fees associated with getting there. Ordinarily they would have paid the fees, but Argentis should have provided a timely and efficient service. Following the offer of appropriate financial compensation, they should be in broadly the correct position - subject to what I've said above. So I don't think a refund of fees is appropriate in the particular circumstances.

Mr H1 doesn't think the offer made by the firm in respect of distress and inconvenience is appropriate. Mr H1 says he cannot reconcile his and his sons' experience, angst and helplessness with an offer of £250 each. He's referred to the unnecessary stress, heartache and frustrations caused by Argentis' failings, and in the context that it was against the background of the late Mrs H's passing and in difficult circumstances.

I do think that when considered in isolation and in how the firm framed its award for distress and inconvenience, the £250 to Mr H2 and Mr H3 is slightly short. The matter does need to be considered against the particular background and circumstances, and clearly it would have been an emotional and sensitive time for Mr H1, H2 and H3.

However, proportioning £250 each was how Argentis saw the matter. My role is to decide, what is, in my opinion, fair and reasonable in all the circumstances of the complaint.

The total offer was £1,000 to Mr H1, H2 and H3. That included £250 to Mr H1 for dealing with the complaint. And the £1,000 donation to charity.

My understanding is that the *main* failings were in relation to the setting up of Mr H2 and Mr H3's dependents' pensions – albeit I accept that Mr H1 had a central role in dealing with the matter given the particular circumstances. Experiencing some difficulties when interacting with businesses in day-to-day life is not unusual, and I think dealing with those difficulties and the annoyance and frustration caused doesn't necessarily mean compensation is due. However I recognise that Mr H1 spent a considerable amount of time in dealing with the issues and the subsequent complaint. I don't think the £250 paid to him for the additional inconvenience, above what would normally be reasonably expected, is unreasonable.

As I've said, the firm has offered to donate £1,000 to a charity (which it said was Mrs H's nominated charity). Clearly this isn't a payment to Mr H1, Mr H2 and Mr H3 directly. However I think the aim of the donation is to provide some comfort to Mr H1, H2 and H3 for the distress caused. Whilst it isn't a direct payment and so, arguably, it's more difficult to assess its value in terms of a payment in lieu of distress caused to Mr H1, H2 and H3, it is a significant sum, and I need to take it into account in deciding what's fair in all the circumstances.

I do understand Mr H1's position on the distress and inconvenience payment, and in

particular because of the sensitive nature of the background to the complaint. However having carefully considered the matter, I don't think that when considering the offer in the round, £1,000 to Mr H1, H2 and H3, and £1,000 to charity, that it is unreasonable. And in any event, when also taking the offer of compensation for financial loss into account, I think Argentis' overall offer is fair and reasonable in the particular circumstances.

My final decision

My final decision is that Argentis Wealth Management Ltd's offer of compensation of £4,869.56, a payment of £1,000 in total to Mr H1, H2 and H3 and a payment of £1,000 to charity for the distress and inconvenience caused is fair and reasonable in the particular circumstances. I therefore order Argentis Wealth Management Ltd to pay that compensation to Mr H1, H2, and H3.

Interest at the rate of 8% simple per annum should be added to the compensation from the date of this final decision to the date of payment if settlement isn't arranged within 28 days of us notifying Argentis Wealth Management Ltd of Mr H1, H2 and H3's acceptance of the final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H1, Mr H2 and Mr H3 to accept or reject my decision before 25 April 2025.

David Ashley
Ombudsman