

## The complaint

Mr and Mrs M complain Succession Wealth Management Ltd has failed to provide the level of service they'd come to expect from its predecessor. This led to difficulties when trying to manage their portfolios and navigate the markets during the COVID-19 pandemic. Mr and Mrs M believe they've suffered significant losses as a result.

## What happened

The events of this complaint are well known to both parties. But in brief:

- Mr and Mrs M each held a portfolio of investments managed by a firm I'll refer to as K. They received a bespoke service from their advisor at K, which the couple were reasonably satisfied with.
- K was acquired by Succession. Mr and Mrs M sought and received assurances from their advisor that the level of service they'd come to expect wouldn't change because of the acquisition. They subsequently became clients of Succession.
- During the onset of the COVID-19 pandemic, Mr M contacted his advisor to express concern about the impact this would likely have on financial markets. Mr M subsequently sold a number of his and Mrs M's investments with Succession.
- Shortly thereafter, Mr M sought to time the market and benefit from its recovery period. He'd asked his advisor at Succession for advice and assistance on doing so. He also gave an idea of the strategy he'd be keen to pursue when doing so.
- Succession's advice wasn't timely. When it eventually came, it bore little resemblance to what Mr M had grown used to during his dealings with K. And it didn't align with the strategy he'd hoped to utilise.
- Mr and Mrs M ultimately accepted Succession's recommendations, and implementation of this began. The couple then raised a multi-faceted complaint against Succession, which they've elaborated on since.

In short summary, and at its core, Mr and Mrs M's complaint is that:

- Succession misled them from the outset as to the service it was able to provide.
- This became apparent when they needed advice during the pandemic.
- The resulting confusion and delays on Succession's part caused them losses.
- To redress them, Succession should look at what position the couple would've been in had Mr M's preferred investments been arranged for the them, and pay a significant sum of compensation on top of this.

Succession partly upheld the complaint. It offered to:

- Put the couple in the position they would've been in had its own advice been timelier.
- Refund its management fees for the period in dispute.
- Pay £500 for the distress and inconvenience its actions had caused.

Mr and Mrs M did not accept this offer. They referred their complaint to our service. An investigator gave the opinion that Succession's offer to the couple was fair and reasonable in

all of the circumstances of their complaint. Mr and Mrs M did not accept our investigator's opinion, elaborating substantially on the events of their complaint as they saw them.

The complaint was passed to me, and I made a provisional decision. In short summary, I explained I was provisionally deciding that:

- Succession's approach to investment management differed from the service Mr and Mrs M had been receiving from K. It was therefore unfair of it to have assured them its service wouldn't change. With that being said, the evidence didn't persuade me the couple were likely to have upended their portfolios and moved elsewhere had they been given clearer information on this point.
- When they sought advice at the outset of the pandemic, Succession didn't provide the level of service I'd reasonably expect it to. But even if it had done, the evidence persuaded me Mr M would still have gone ahead and ordered the sale of his and Mrs M's investments as he did so.
- All parties appeared to accept Succession had delayed Mr and Mrs M's attempts to re-enter the market. And on balance, I was persuaded that because I'd seen evidence of the couple accepting Succession's advice, it was fair and reasonable to use this advice as the basis for compensating them.
- Ultimately, I was satisfied that though it may not have been the most precise means of redressing their complaint, what I needed to decide was whether Succession's offer with respect to Mr and Mrs M's financial losses was fair and reasonable in all the circumstances of their complaint. And I concluded that it was.
- I wasn't persuaded however that Succession's offer of £500 went far enough towards addressing the distress and inconvenience the firm had caused Mr and Mrs M. Given the events unfolded at a turbulent and anxious time in the markets, and that Mr M was undergoing treatment for a serious medical condition throughout, I felt that an offer of £700 was necessary to address the impact felt by the couple.

Succession didn't accept my provisional findings. It argued its service wasn't all that much different from K's. And it felt its initial offer to Mr and Mrs M was still the fairest means of resolving the matter.

Mr M unequivocally rejected the outcome of my provisional decision. He elaborated yet further on his and Mrs M's complaint. When doing so, he restated a number of arguments he'd set out in his submissions to date. He also raised a number of ancillary points and wider concerns about Succession and the manner in which it came to acquire K.

With all of this in mind, I've reconsidered the findings I made in my provisional 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 regret that the brevity of my final decision here is likely to come as a disappointment to Mr and Mrs M. It's not lost on me that Mr M has spent a considerable amount of time reviewing correspondence and filing submissions in support of this complaint. And in reaching my outcome, I'll only be referencing a small amount of the information we've received throughout our investigation.

I can assure both parties I've read and considered all of the submissions they've presented to date. But I'll be using my discretion as an ombudsman to confine my decision to addressing only what I see the key facts in this dispute as being. This is in keeping with our

service's role as an informal alternative to the courts. So if I decline to address a particular point, it's because in my opinion, it doesn't impact my overall view of what is fair and reasonable in all of the circumstances of this complaint.

Having revisited the findings I made in my provisional decision I'm not persuaded to depart from the outcome I reached previously. Because fundamentally:

- However Succession went about its acquisition of K, the impact on Mr and Mrs M in this case would've been the same. I'm satisfied the couple were misled around the nature of the service they could expect from Succession going forwards, which compared to the somewhat bespoke service they'd received from their advisor at K, was a fairly traditional advisory portfolio management service. Succession's argued its services didn't differ all that much to K. But the evidence here persuades me otherwise. Post-acquisition, information Succession provided about prospective investments was in a different format than the couple had grown used to. And it appears the couple had access to a narrower selection of investment opportunities than they'd enjoyed previously under K.
- Even if all of this had been better explained, I'm not persuaded the couple would've opted to move elsewhere prior to the onset of the pandemic. They seem to have had a good relationship with their advisor who, post-acquisition, would still be working for Succession. In support of this, I find it persuasive that even when it later became apparent to Mr and Mrs M that they had access to fewer funds, and information about them wasn't in the format they'd grown used to, they still chose to accept their advisor's recommendations.
- Whilst I've found shortcomings in the way Succession handled Mr M's initial queries about the pandemic, I'm not persuaded his assets would've been sold any earlier had he received a timely and responsive service. I don't think it's likely Succession would've recommended he should go ahead with the divestment he was proposing. Succession's provided literature outlining its general approach to market trading, which seems to broadly target growth over long periods, not timing the market for shorter-term gains. Mr M made the decision to sell his and Mrs M's investments when he did and could've done so sooner if he'd wished to.
- I am satisfied Succession's service to Mr and Mrs M across the period in question was generally poor. The firm wasn't as responsive as I'd expect it to have been in the circumstances. It's quite clear that Mr and Mrs M's attempts to re-enter the market were hampered by this, and I'm satisfied it's fair and reasonable to conclude Succession is responsible for some of their resulting losses.
- As I see it, to fairly address the couple's financial losses, Succession should seek to return Mr and Mrs M to the position they'd most likely have been in, if they'd received timely advice from the firm when they sought to re-enter the market in April 2020. Fairly doing so after the fact is not especially easy, given the extent to which hindsight can affect both parties' submissions on what they each think they could and should have done had the circumstances been different. Therefore I think it's reasonable to examine the evidence and conclude a fair means of settling the complaint based on what that evidence persuades me each party's authentic actions would likely have been.
- The evidence shows Succession eventually prepared a series of investments for Mr and Mrs M, through which it was recommending they should re-enter the market. I accept the couple had misgivings about accepting these recommendations. And that

they felt under pressure to do so because of their desire to benefit from the market's recovery period. But ultimately, whatever their concerns might've been, they chose to accept those recommendations. So in principle, I accept Succession's decision to use these investments and the strategy of a phased return to the markets as being a reasonable basis for calculating Mr and Mrs M's losses.

- For completeness I have reviewed the suitability of the investments Succession proposed to Mr and Mrs M, relative to what they'd made known about their circumstances. I'm not persuaded any of the investments were unsuitable for the couple. Likewise I accept Succession's proposal that Mr and Mrs M should phase their investments and re-enter gradually was also suitable, mindful of how volatile the markets were across the period in question. This further persuades me that, as the recommendations were accepted by Mr and Mrs M, that they form a reasonable basis for Succession to redress the couple.
- Mr M has made much of his advisor's supposed independence from Succession, and their discretion to depart from the firm's preferred list of funds. He feels that Succession should've sought investments from the markets Mr M had identified in his conversations with the firm. But however strongly he feels about this now, I've seen evidence that he and Mrs M chose to accept recommendations which did not involve these sorts of investments. And because of this, I don't think it's unfair or unreasonable of Succession to use those recommendations as a basis for redressing the couple.
- In coming to my decision I've considered that, given I cannot be utterly certain about how the two parties will have acted had Succession provided an adequate level of service, it's difficult to say precisely what position Mr and Mrs M should now be in. In addition to this, it's my view that the potential for hindsight to colour opinions on how each party feels it would've acted is also considerable. But mindful of all of this, it's within my gift as an ombudsman to decide the outcome of a complaint based on what feels fair overall, given the circumstances. And having considered Mr and Mrs M's complaint in great detail I am struck that overall and on balance, Succession's offer where Mr and Mrs M's losses are concerned, does this in a way which I consider to be both fair and reasonable.
- Mr M has reiterated his argument that Succession's offer to refund its fees doesn't extend as far as he thinks it should. But as I explained in my provisional decision, Succession's offer here already falls a little outside of what I'd reasonably expect it to do in the circumstances. Succession's offer to reimburse Mr and Mrs M's losses is on the basis that, had it provided an acceptable level of service, that's likely the position the couple would find themselves in. But had it done so, Succession could've quite reasonably charged an ongoing fee for that service, as I don't think Mr and Mrs M could've ever reasonably expected it to advise them free of charge. I accept however that in making this offer, Succession is choosing to make a gesture, one that I feel is fair overall given the circumstances of this complaint. As such I'm not persuaded it would be fair or reasonable of me to increase this element of Succession's offer to Mr and Mrs M.
- I've considered the arguments put forth by both parties, but I'm still minded that it's fair and reasonable to direct Succession to pay Mr and Mrs M the sum of £700 for the distress and inconvenience these events have caused. The speed and uncertainty in the markets appears to have weighed heavily on the couple in the correspondence I've reviewed. This exacerbated the need for timely and considered advice, which was not forthcoming from Succession. And Succession's inaction

meant Mr M had to follow up with it repeatedly at a time where he was undergoing treatment for a serious illness. All of this came after Succession had unrealistically set the couple's expectations that the service it would be offering them would be the same as K's. As such I'm not persuaded Succession's original offer of £500 goes far enough towards addressing the distress and inconvenience its service caused to Mr and Mrs M. I remain satisfied that £700 fairly addresses the impact its actions have caused.

### **Putting things right**

For all of the above reasons, and those in my provisional decision, I'm satisfied it's fair and reasonable to direct Succession to settle Mr and Mrs M's complaint along the following lines:

1. If it has not already done so, pay Mr and Mrs M a refund of its fees between the dates it's offered to do so in its final response letter, inclusive of simple interest at 8%.
2. If it has not already done so, pay Mr and Mrs M the loss it calculated in its final response letter, inclusive of simple interest at 8%.
3. If either of the above figures are yet to be paid to Mr and Mrs M, Succession must recalculate simple interest at 8% up until the date of settlement, to reflect the period that Mr and Mrs M have remained out of pocket.
4. Pay Mr and Mrs M the sum of £700 for the distress and inconvenience it's caused them.

If Succession considers it's required by HM Revenue & Customs to deduct income tax from the interest it must calculate, it should tell Mr and Mrs M how much it's taken off. It should also give the couple a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

My final decision is that I uphold this complaint. I now require Succession Wealth Management Ltd to settle Mr and Mrs M's complaint as outlined above in the section titled "*Putting things right*".

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

Marcus Moore  
**Ombudsman**