

## The complaint

Mr and Mrs A complain about the lack of advisory services from Radiant Financial Planning Limited (referred to as “*Radiant*”).

In summary, they say they’re unhappy about being ‘orphaned’ by Radiant and its decision to no longer offer any advisory service to them because they live abroad in the European Union (EU).

## What happened

Mr and Mrs A say that they’ve been living on the continent since 2006 and have been customers of Radiant since 2007.

They say that in September 2023 Radiant informed them that it could no longer offer its advisory services to them because of various changes to regulations. It also says that it should’ve done this and/or informed them much sooner, but due to an oversight, it didn’t notify them.

In Final Response Letter dated January 2024 it said:

*“My colleague (name anonymised) has already provided considerable background information as to why we are unable to continue to do so, not only due to the outcome of Brexit but also the regulatory requirements of doing so and the requisite specialist knowledge needed to advise clients in circumstances such as yours, for which our planners are neither qualified nor knowledgeable.”*

Radiant maintains that it notified Mr and Mrs A as soon as its oversight came to light and has since apologised and offered (suggested) an alternative adviser who could continue to advise them, whilst they were resident abroad.

Radiant maintains that if it continues to provide an advisory service to Mr and Mrs A (living abroad), in the way that it has, it wouldn’t be meeting its regulatory requirements.

Mr and Mrs A referred the complaint to our service. They’ve claiming losses for transferring the portfolio, liquidating assets and anxiety and stress Radiant has “*created for us*”.

One of our investigators considered the complaint but didn’t think it should be upheld. In summary, he made the following key points:

- Should Radiant continue to provide advisory services to its clients (in the way that it has done) that live abroad, then it will be acting outside of its regulatory permission, so acting in breach of its regulatory obligations.
- Its decision (not to provide Mr and Mrs A’s advisory services) is in line with its terms and conditions, and regulatory obligations. As such, it doesn’t need to take any further action.
- The above notwithstanding, Radiant is a regulated firm based here in the UK. It has permission to provide advisory services to its clients who are based in the UK. It

doesn't (automatically) have permission to provide advisory services to overseas clients.

- This is (in the main) a consequence of the UK leaving the EU, also commonly known as "Brexit".
- Although Mr and Mrs A should've been notified sooner, it hasn't materially affected their situation as they'll still need a new adviser and probably move their investment(s).

Mr and Mrs A disagreed with the investigator's view and asked for an ombudsman's decision. In summary, they made the following key points:

- The investigator hasn't addressed the issues relating to the wording of the legislation that prevents them being clients of Radiant.
- They've been living abroad in the EU since 2006. Radiant has been aware of this since day one.
- The relevant consultation documents were available to the financial industry between January 2021 and January 2022, but they as clients were never advised of any (upcoming) changes.
- Why couldn't Radiant have checked its database and notified them (and any affected clients) immediately?
- Ignorance of the law is no defence.
- Appointing a new adviser will cost them around "€10,000.00". If the portfolio needs to be surrendered it will cost around another €5,000.00, although the figure is unknown.
- Given their ages, this is causing them tremendous anguish.
- Had they been advised of the implications sooner they would've had more time to appoint an adviser.

The investigator has considered the additional points wasn't persuaded to change his mind. In summary he said:

- Following Brexit, the rules under the "*passporting regime*" applied. The rules that impacted firms became known as the '*temporary permission regime*' – and these are the raft of changes that Radiant had to adopt.
- Information about the regimes can be found at:  
<https://www.fca.org.uk/brexit/temporary-permissions-regime-tp>
- Radiant should've notified Mr and Mrs A sooner, but this doesn't in any case change the fact that it no longer holds the necessary permissions to provide Mr and Mrs A with ongoing advisory services as it has done in the past.
- In conclusion, Radiant ended the relationship in this instance, because it didn't have the necessary permission to (automatically) provide non-UK residents advisory services under the EU passporting regime.
- In the circumstances he can't say that Radiant has acted unfairly by terminating its advisory agreement with Mr and Mrs A, to satisfy its regulatory obligations.

As no agreement has been reached, the matter has been passed to me for 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.

Having done so, I agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr and Mrs A say, I'm unable to safely say that Radiant behaved unreasonably – by refusing to provide an advisory service, (as it had done in the past) to overseas clients living in the EU – such that this complaint should be upheld.

Before I explain why this is the case, I'd like to thank the parties for their considerable patience whilst this matter has awaited review by an ombudsman, due to the current demand for our service.

I think it's also very important for me to note I very much recognise Mr and Mrs A's strength of feeling about this matter. They have provided detailed submissions to support the complaint, which I've read and considered carefully. However, I hope they won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised under a separate subject heading, it's not what I'm required to do to reach a decision in this case. In other words, I don't have to comment upon every single point made. My role is to consider the evidence presented by them, and Radiant, and reach what I think is an independent, fair, and reasonable decision based on the facts of the case.

For the purposes of anonymity, I have deliberately avoided naming the country in which Mr and Mrs A reside.

I don't uphold this complaint, in summary, for the following reasons:

- I note that because of geo-political changes involving the UK, and its position in the EU, Radiant (like many other UK regulated financial businesses in a similar situation) was no longer able to simply provide advisory services to its 'overseas clients' living in the EU, in the way that it traditionally had done.
- In other words, Radiant, a UK regulated firm – authorised to provide financial services in the UK – was no longer able to simply "passport" its services into the EU because of Brexit and the regulatory changes that ensued.
- I've seen nothing to suggest that Mr and Mrs A were treated differently to its customers in a similar situation.
- Despite what Mr and Mrs A say, I've seen nothing to suggest that this was Radiant's doing. I'm satisfied that the geo-political situation is (and was) a situation which Radiant has no control or say over, other than to comply with the relevant rules and regulations as they emerge.
- In the circumstances, I can't say that by choosing to follow the relevant rules and regulations, as set down by the industry regulator – which includes ending its overseas EU advisory services, as it were, because it doesn't have the necessary permissions and expertise – Radiant has behaved unreasonably.
- Despite what Mr and Mrs A say, I make clear that it's not my role to provide legal advice. If they'd like to know more about the legislative framework behind these material changes (involving both UK domestic law, and various EU directives and regulations) they can seek legal advice from an EU Law expert.
- In any case, the outcome of the change is self-explanatory, and that is that Radiant can no longer provide them with the advisory services in the way that it has done, pre-Brexit.
- I would also like to bring to Mr and Mrs A's attention to the key point that a financial

business can unilaterally decide to end a relationship with a customer without providing a reason in any event.

- Whilst I appreciate that it's not necessarily the case here, the point is that Mr and Mrs A can't force a business to provide a service that it doesn't want to provide (even if it has discretion to) or is unable to provide because of rule changes.
- I note Radiant concedes that it could've handled the notification process and disengagement more considerately (which appears to be down to a human error), which I agree with. That said, I've seen nothing to suggest that this was done deliberately.
- Based on what the parties say, it seems that Mr and Mrs A continued to receive advisory services from Radiant (as "engaged clients") as they had done traditionally during this period, so they weren't disadvantaged by any delay in Radiant informing them it couldn't continue to provide an advisory service.
- I'm also mindful Mr and Mrs A say that they've always received face to face reviews and this complaint isn't about paying for a service that they didn't receive.
- So, on the face of the evidence, and on balance, it appears that they had the benefit of the advisory services from Radiant when they shouldn't have (during the period they could've been notified) given the regulatory changes and Radiant's decision not to offer such services to overseas clients. This might explain why Radiant was so keen to move them on to a new business as soon as possible once it did identify it couldn't continue to provide its advisory service.
- I note that as well as apologising for its mistake, Radiant has also recommended an alternative adviser to Mr and Mrs A, which they may not be particularly keen on. However, I'm satisfied it has done what it ought to have done in this instance.
- In the circumstances, and on balance, I don't think this oversight is in and of itself a reason to uphold this complaint and award compensation.
- On the face of the evidence, and on balance, I think Mr and Mrs A would still be in a similar position even if they'd been notified sooner – that is they'd still be fundamentally unhappy about having to find a new adviser, move/liquidate their investments and bear the cost of it all. I don't think an earlier notice would change this reality.
- I've also seen no persuasive evidence that this specific oversight has caused Mr and Mrs A any financial loss either, therefore I can't safely say that it has. I'm mindful that they're also not claiming any specific financial loss as a result of this.
- I'm aware that Mr and Mrs A were very worried, but I think that's more so because of the situation they're in, rather than the delayed notice. I'm mindful that they were trying to resolve the situation within days and weeks of being notified of this news.

In short, on a balance of probabilities, I think it's more likely (than not) that Mr and Mrs A were, and still are, in the main, unhappy about having to find a new adviser, and move their investments elsewhere. However, I think this is something that they'd have to do in any event. I'm aware that since October 2023 they've been working with a new adviser and considering their options.

I also note that Mr and Mrs A are unhappy about the likely costs associated with making these changes but that's not something I can blame Radiant for, as matters were outside of its control. In the circumstances, and on balance, I can't safely say that it is responsible for any wrongdoing for which it should pay compensation.

I appreciate that Mr and Mrs A will be unhappy that I've reached the same conclusion as the investigator. Furthermore, I realise my decision isn't what they want to hear. But on the face of the available evidence, and on balance, I'm unable to uphold this complaint and give them what they want.

**My final decision**

For the reasons set out above, I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 28 March 2025.

Dara Islam  
**Ombudsman**