

The complaint

Mrs B complains she was given unsuitable advice by Succession Wealth Management Ltd (trading as Succession Wealth) in relation to her investment portfolio. She is unhappy as her investments are worth less than she put in despite paying £10,000 in fees.

What happened

Mrs B became a client of Succession in late 2017. In February 2018, it recommended she invest £100,000, in a portfolio contained within a General Investment Account (GIA). Her attitude to risk was assessed as 'cautious' and a fund mix was selected in line with this profile.

Annual reviews were held with Mrs B in 2019 and 2020 – the adviser didn't recommend any changes to the portfolio as it was deemed to remain suitable.

In January 2021, further advice was given to invest £20,000 into an ISA, to utilise Mrs B's allowance for the 2020/21 tax year. The recommendation report confirmed that her attitude to investment risk remained cautious and a portfolio in line with aiming for medium term capital growth was recommended. A fund switch was also recommended for some of Mrs B's existing portfolio with an aim for potential better performance over the medium to long-term.

A further annual review was held in January 2022. The meeting summary noted the prospect of short-term volatility due to external factors impacting markets, but changes weren't proposed by Succession at this time.

In March 2022, a recommendation was made to invest a further £20,000 within Mrs B's ISA into the existing fund.

In November 2022, Mrs B's adviser changed. The new adviser made a Bed and ISA recommendation in March 2023, which essentially meant she moved £20,000 from her GIA into her ISA in line with the existing investment strategy.

In 2023, Mrs B raised a complaint with Succession. She was unhappy with the performance of her investments and despite paying £10,000 in fees her investments were worth less than she put in.

Succession responded to the complaint. It didn't uphold it, in summary it said the advice given was appropriate and in line with Mrs B's cautious attitude to risk profile. It said it set out the fee structure indicating Mrs B understood the services and fees. In relation to the concerns about withdrawing funds from investments, it noted no guarantees were given about returns and losses were possible.

Mrs B wasn't happy with the response, so referred her complaint to this service for an independent review.

Our investigator didn't uphold the complaint. In summary she said:

- She thought both the initial 2018 advice and the subsequent advice was suitable and in line with her risk profile and capacity for loss.
- Succession's fee structure was set out to Mrs B - including the ongoing planning annual fee. Annual reviews were carried, advice was given and investments were changed when needed.
- When Mrs B inquired about cashing in her investment, she was told the value at the time of the encashment cannot be guaranteed, and timescales aren't guaranteed. She didn't find Succession had failed to try to obtain the best possible results for Mrs B.

Mrs B didn't accept the investigator's assessment. She provided further submissions. In summary she said:

- Some of the information in the 2018 advice documents is not accurate in respect of her circumstances. She didn't complete or sign the documents. She recalls completing a document that asked questions about her attitude to risk.
- She has a reasonable understanding of investments, and would expect to have some growth over a five year period rather than no growth and still paying fees. She assessed as a highly cautious investor and was completely assured the fund would do better than she could do on the High Street despite the payment of fees. Being such a cautious investor she should not have been given these assurances if there was any risk at all to the capital sum.
- She was led to believe the funds would be invested in such a way that she wouldn't lose capital unless there was a total collapse of the monetary system. She was not prepared to take a risk with the capital as she knew she needed this money to clear her mortgage.
- As a customer it is extremely difficult to get information about what fees have been charged and how much is being siphoned off. She doesn't think it is ethical and appropriate to charge thousands in fees and the consumer gets nothing and makes a loss.
- In respect of withdrawing funds, Succession do not try to achieve the best price and simply take potluck on the day it decides to trade. It does not email to say what the price will be, it simply completes the transactions when it suits it administratively to do so.

As no agreement could be reached, the complaint has been 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.

I've carefully read all of the information Mrs B and Succession have sent us. It's clear Mrs B is disappointed with the returns she's received on her investments and I do understand this. She's expressed dissatisfaction with the service she's received from Succession and feels the reassurances she was given at the time of advice and during reviews about the expected performance have turned out to be incorrect. She feels she is in a worse position as a result of the advice she received from Succession.

The first thing I've considered is the suitability of the initial recommendation that was made to Mrs B in 2018. I've looked at Mrs B's circumstances and needs at the time. I've taken into account the information recorded at the point-of-sale – including that detailed in the financial planning questionnaire, the recommendation reports, and the risk profiles she completed. The point-of-sale documents are contemporaneous evidence of the advice process, so I do think they carry weight in terms of understanding the circumstances of the advice. But I

acknowledge Mrs B has provided further information about her circumstances – and has pointed out factual inaccuracies she has identified in the documents.

From my review of all the evidence provided by both parties, I'm satisfied Mrs B was looking to invest for growth over at least the medium term. Mrs B has been clear that she is a cautious investor, and this is supported by the information available about her circumstances. As mentioned above, I acknowledge she has questioned the accuracy of some of the details in the documents completed by the adviser and has provided further information about what she understood her circumstances to be at the time. I've taken this into account, but I still don't think the evidence indicates that she wasn't prepared to take any risk or not in a position to withstand any losses, and only required investments that were fully capital secured.

I've looked at the funds recommended by Succession as part of the 2018 advice, and I'm satisfied they were within Mrs B's risk tolerance and capacity for loss. I'm also satisfied it was clear that her capital was at risk and there was no guarantee she wouldn't suffer losses. For these reasons, I don't think Succession is at fault here.

Similarly, I haven't found the advice to invest further amounts into her ISA were unsuitable for Mrs B – for largely the same reasons. These investments met Mrs B's agreed risk profile and were suitable for meeting her objectives.

Mrs B has raised concerns about the fees she has paid to Succession. I note she is upset she has paid several thousands of pounds in fees, and despite this she is facing a loss. She feels it is unethical to charge fees when she has suffered losses.

I'm satisfied from the available evidence Succession did set out the ongoing fees that would be charged when Mrs B received advice in 2018. This included the amount of the charge and the service that it would be providing. Succession has also provided evidence it did carry out the on-going review service it was charging for. I have seen details of the notes and documentation from review meetings held annually between 2019 and 2022. These cover the aspects of what was discussed and the actions that were agreed with Mrs B as part of the reviews – this includes funds switches and where it was decided to leave the funds where they were. So, it is clear to me Succession did provide a service to Mrs B for the fees it took. I acknowledge Mrs B's comments about the value of the service she's paid for when she's suffered a loss but paying a fee doesn't guarantee high returns – this will still be dependent on the investment performance. So, I don't find any fees should be refunded.

I understand it is disappointing for Mrs B that her investments haven't performed as well as hoped, but I don't find this must mean the advice was unsuitable, or Mrs B isn't required to pay for the service she has received from Succession. In hindsight, it is possible Mrs B could have invested in alternative areas and achieved better returns, but again this doesn't mean the advice was unsuitable, this is the nature of investing in risk-based products.

Lastly, Mrs B has raised concerns about the support Succession provide with making withdrawals from her investments. She feels it doesn't try to achieve the best price, and only completes the transactions when it administratively suits it to do so. Succession says it doesn't delay trades, and when a client requests a withdrawal, it takes steps to ensure it acts within a reasonable timeframe and there is no consideration to when it suits it administratively in that respect.

I note the investigator asked Mrs B for evidence that Succession's actions caused her a detriment. But I haven't seen that she has provided anything in relation to a specific request that was delayed or she was disadvantaged through the way it was handled. When an instruction is given to withdraw, it is correct that fluctuations mean a value can't be

guaranteed as unit prices update (usually daily). I don't think Succession can influence the movement of unit prices, and the value achieved from a sale will depend on when the instruction is received and the request is actioned. While Mrs B has suggested that administration processes mean Succession will encash whenever it wants, I haven't seen evidence to support this is the case. Again, I appreciate Mrs B is dissatisfied with the service available, but I haven't found reason to say Succession caused an avoidable delay when Mrs B was attempting to withdraw from her investments.

In conclusion, I haven't found that errors made by Succession have caused the losses Mrs B claims. I appreciate this will come as a disappointment to Mrs B, but I don't require Succession to do anything further in this respect.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 30 December 2024.

Daniel Little
Ombudsman