

The complaint

Mr H and Miss P's complaint against West Riding Personal Financial Solutions Ltd ("West Riding") is about the advice and service they have received in relation to their investments.

What happened

Mr H became a client of West Riding in 2013 when he sought advice on his investment portfolio – which included an investment account, stocks and shares ISAs and life policies. Mr H also transferred his pension portfolio to West Riding in 2020.

Most of this complaint relates to Mr H's own investments, but in 2013 West Riding also provided advice to Mr H in relation to a junior ISA set up for his granddaughter (Miss P). Miss P has given her consent for us to consider her ISA as part of this complaint. For ease of reference, I will refer to Mr H as the complainant throughout this decision but where relevant my findings cover Miss P's investment as well.

Mr H complained that since October 2021 the advice he received from his West Riding adviser (Mr L) had been doubtful and he had to question his actions on a number of occasions. In his initial submission to our service Mr H raised the following complaint points:

- West Riding's use of risk mandates, which Mr H said was confusing and contradictory.
- Over an 18-month period Mr H repeatedly asked Mr L why the funds he was moved to in October 2021 performed so badly, when compared to benchmarks Mr H had identified. Mr L avoided accountability for the performance of the funds he had chosen.
- Mr L's dismissive and imprecise way of replying to questions about the charges Mr H incurred from West Riding and his investment provider.
- Mr L's willingness to be named as an executor of Mr H's will.
- Mr L's use of his public and personal Facebook profile to try to attract business to West Riding.
- Mr L used the tone of Mr H's emails as an excuse to terminate their relationship.

West Riding's position, in summary, is that:

- They have always managed Mr H's investments in line with his attitude to risk (ATR) and the mandate they have been given. Mr H has never held high risk investments but has had balanced and well-diversified portfolios.
- From 2013, Mr H's investments increased a lot in value, then fell back a bit, but overall were still significantly up in value at the time of his complaint.

- They have always been transparent and explicit on the fees Mr H has been charged and have provided him with great value for money.
- They consider their use of Facebook to be legitimate.
- Mr H wanted to make Mr L the executor of his will.
- By August 2023 they were concerned at the tone of Mr H emails and that he was making false allegations. They therefore exercised their right to terminate the relationship and disengaged with him as a client.

Our investigator didn't uphold Mr H's complaint. He said, in summary:

- While Mr H was a customer of West Riding various risk assessments and fact finds were undertaken. The first took place in 2013, and there were updates in 2018, 2020, 2021, 2022, and 2023. The updates either took place when Mr H met West Riding, or they were provided by Mr H himself. He was satisfied that the questions West Riding asked Mr H during these assessments were clear and not confusing. Broadly speaking the answers provided by Mr H showed his ATR to be near the higher end of the scale of 1-10.
- Further discussions took place where there were some inconsistencies relating to risk. For example, in 2020 Mr H said he wouldn't consider investing in some of the highest risk investments available. And when Mr H's investments were reviewed after that, West Riding recommended a portfolio with a risk rating of 5 or 6 out of 10, which Mr H agreed to. So, he thought West Riding were trying to reduce Mr H's risk exposure, whilst balancing this with his wish for investment growth, and was satisfied that they didn't encourage Mr H to invest at a higher level of risk than was suitable.
- Having looked at Mr H's investments he was satisfied that they were consistent with his ATR and other objectives and that West Riding had followed the mandate they had agreed with him.
- Just because the decisions made by fund managers had with hindsight not gone as well as were expected, didn't necessarily mean they behaved negligently as by their nature investments can go up and down. He had seen nothing to suggest that West Riding had guaranteed a certain level of return to Mr H.
- He had seen nothing to suggest that the way West Riding had presented their charges to Mr H had been deliberately unclear. West Riding sent illustrations to Mr H throughout his relationship with them and these provided detailed breakdowns of dealing charges and management charges as well as those of his fund manager. He hadn't seen anything to show that West Riding were dismissive or imprecise when asked about charges.
- He couldn't be certain what was said at Mr H's meetings with Mr L. However, he didn't think that the complaint points in relation to Mr L being an executor of Mr H's will, and Mr L's use of social media were necessarily issues that were within the remit of our service. Neither did he think they were particularly relevant to the key aspects of Mr H's complaint.
- He noted that West Riding had decided to terminate their relationship with Mr H, which they were entitled to do if they wanted.

- The fact that other businesses might have operated differently to West Riding wasn't a good enough reason for him to uphold this complaint.

Mr H disagreed. He thought our investigator had taken at face value what West Riding had said and that some of his conclusions were incorrect. Mr H said, in summary:

- The whole basis of his complaint relates to Mr L's "self-selected funds" which Mr H was switched to in October 2021 and which had made significant losses. They were not suitable given West Riding's letter of 1 October 2021 which said, "we do, however, see you as a more balanced investor given that you plan to retire in the next seven years." So, it was not the case that West Riding were trying to reduce his risk exposure. When Mr H's funds lost value, Mr L's response was to increase the risk level to recover some losses, which Mr H didn't want to do.
- He didn't have any record of ATR reports for 2021 or 2022, just 2013, 2020 and 2023. He was particularly concerned that no ATR assessment had been carried out at the time of the switch to "self-selected funds" in October 2021 or during the time he was challenging Mr L about the poor performance of his investments.
- Mr L interpreted his ATR assessment as he wanted and invested in higher risk funds than Mr H wanted. The ATR questions have been interpreted to imply that he was willing to risk losing all his money for the possibility of higher returns, which was not the case.
- He disagrees that West Riding didn't make any guarantees about investment performance. There were numerous times from early 2022 to termination of their relationship in autumn 2023 when Mr L reassured him that given time the funds would without doubt regain their losses.
- He doesn't recall any detailed documentation from West Riding about fees. Mr L's approach to fees was dismissive and West Riding didn't offer the "good value for money" Mr L claimed.
- He provided a screenshot "showing that Mr L asked to be added into his will".
- He remained very upset with how Mr L has dealt with him as a customer and thought that he needed to be brought to account.

Having considered Mr H's response and further comments from West Riding, our investigator said his view remained unchanged. He said:

- In relation to Mr H's ATR, he didn't think the questions asked of Mr H were vague. ATR questionnaires are common in the financial industry, and they are regarded as a legitimate method of assessing a consumer's ATR, along with face-to-face discussions.
- West Riding had sent details of how Mr H's ATR was assessed between 2020 and 2023 (when meetings were offered by West Riding) and email discussions took place over that period. So, he was satisfied that if Mr H disagreed with West Riding's assessment, he would have had the opportunity to bring that to their attention.
- When Mr H signed his original client agreement with West Riding in 2013, they advised him of their fees. He signed updated agreements in 2015 and 2020 in which

the fees were also explained. So, he was satisfied West Riding explained their charges to Mr H.

In a further response to our investigator, Mr H said:

- Mr L didn't carry out the ATR assessments that he claims in either 2021 or 2022. The evidence from October 2021 was in no way ATR information. It was information relating to how Mr H had been impacted financially by covid. It did not give Mr L carte blanche to gamble with Mr H's life savings on his high-risk and self-selected investments.
- He had never said that Mr L asked to be executor of his will. He asked Mr L and Mr L agreed.

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.

It is clear that both parties feel strongly about what has happened and I am grateful for the detailed submissions they have provided. In the background above I have set things out in less detail than Mr H and West Riding have done. The purpose of my decision isn't to address every single point raised by the parties involved. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome to this complaint. No discourtesy is intended by this; our rules allow me to do it, and it simply reflects the informal nature of our service as a free alternative to the courts.

I should also make clear at the outset that our service has no regulatory or disciplinary powers, which means we can't direct a business how to operate and we can't impose any penalties. We consider each case on its own facts and where things have gone wrong, we look to put them right on a fair and reasonable basis.

October 2021 advice

I've looked first at the issue that Mr H has said is the crux of his complaint, namely the fund switches that West Riding advised him to make in October 2021. He believes West Riding's advice was unsuitable given his ATR and his plans to retire within seven years and that the advice caused him significant losses.

Immediately prior to the fund switch that took place in October 2021, Mr H's ISA was invested in what West Riding had described as a "covid-19 crash bounce back" portfolio. West Riding have said that was intended to be a short-term portfolio and they wrote to Mr H on 1 October 2021 recommending that his ISA be transferred to a "Balanced Multi-Asset Total Return Growth Portfolio".

By 2021, Mr H had been a client of West Riding for about eight years, and they had detailed information about his personal and financial circumstances. Their letter of 1 October 2021 included the following:

- It asked Mr H to review his personal and financial circumstances and investments and let West Riding know of any changes. Mr H was also asked to confirm if he would like a personal face to face review meeting.

- It said West Riding understood Mr H's objectives in general terms to be to invest with the aim of achieving the potential for higher returns than generally available from cash deposits.
- West Riding said Mr H had scored a '9' on his most recent ATR assessment but they saw him as a more balanced investor given that he planned to retire in the next seven years. The letter assumed that Mr H's ATR was unchanged, and the fund transfer was recommended on that basis. The letter asked Mr H to contact West Riding if his ATR had changed.

Mr H replied to West Riding's letter in an email on 3 October 2021. He provided some information on his circumstances and agreed to the fund switches that West Riding had recommended. His email didn't comment on his ATR.

West Riding wrote to Mr H again on 6 October 2021. The letter said that West Riding had input Mr H's fact find updates to their system and the output was enclosed for him to check. The letter asked Mr H to review an attached "Lifestyle Impact Tolerance Evaluation" document. That assessed Mr H's capacity for risk as "moderate", taking account of the proportion of his wealth that was invested in the ISA (about 38%) and his other circumstances. The letter asked Mr H to inform them immediately if he felt West Riding had misjudged his tolerance or attitude to risk as they may review the impact of this on his investments. It appears that Mr H didn't return a copy of the evaluation; neither did he inform West Riding that anything was wrong in their assessment.

In considering this point I've also taken account of previous assessments of Mr H's ATR. I note that:

- When Mr H first became a client of West Riding in 2013, Mr L conducted a detailed fact-find and ATR assessment with him. The outcome was that Mr H's ATR was described as "adventurous" and assessed as 8 on a 1-10 risk scale. In a letter to Mr H on 30 January 2013 Mr L confirmed that Mr H's ATR had been assessed as 8 and that West Riding would classify him as a "balanced to adventurous investor". In a further letter on 14 March 2013, Mr L told Mr H that "we'd probably want to tamp down the risk level to say 7 at the most in the future".
- In May 2020 Mr H completed an ATR assessment to inform the pension transfer that he had asked West Riding to manage. West Riding have said that Mr H's responses indicated a risk level of 9. Mr H also told West Riding at the time that "all investments need to be geared towards retirement and supplementing income". Taking account of Mr H's ATR assessment, West Riding invested his pension funds in one of their Balanced Multi-Asset Total Return Growth Portfolios.

Taking account of the above and the evidence I've seen, I think it was reasonable for West Riding to consider Mr H to be a "more balanced investor". So, I've next considered whether the ISA portfolio that West Riding recommended to Mr H in October 2021 was in line with his ATR and suitable for him.

The portfolio that West Riding recommended was made up of a mix of different asset classes, including bonds and equities. It was diversified across a range of different funds, with less than 10% of Mr H's ISA funds being allocated to each one. West Riding have provided evidence showing that the new portfolio had a lower risk score than Mr H's previous portfolio and overall, I'm satisfied that it was suitable for a "more balanced investor" and in line with Mr H's ATR.

I appreciate that from 2022 Mr H became concerned about the performance of his ISA. However, the fact that an investment doesn't perform as hoped doesn't mean it wasn't suitable at the time it was recommended. I've not seen evidence that any guarantees were given to Mr H about the performance of his portfolio, and it seems to have been affected by events that impacted the wider markets.

I note that in October 2022, in response to Mr H's concerns, West Riding discussed with him the option of moving to a higher risk portfolio, but he decided not to pursue that.

Mr H also said that West Riding did not reduce his level of risk after a meeting with them in February 2023. However, I've seen West Riding's letter of 6 February 2023 which summarised that meeting. The letter said that Mr H had updated his fact-find document in advance of the meeting and described his ATR as "moderate" and "risk 5". The letter said that during the meeting Mr H had instructed West Riding to leave his ISA unchanged (apart from some changes recommended by their latest portfolio review). Mr L also said in the letter that Mr H's portfolio was "approximately a risk 6".

I think it's most likely that West Riding's letter was an accurate reflection of the meeting and that they acted in accordance with Mr H's instructions in leaving his ISA unchanged. Based on the information I've seen, I'm satisfied Mr H's existing portfolio remained broadly in line with his attitude to risk and suitable for his needs.

Fees

I've next looked at Mr H's complaint that he didn't receive any detailed documentation about the fees he was charged, and that West Riding have failed to respond adequately to his questions about fees.

Having done so, I agree with our investigator's findings on this point. I'm satisfied that overall West Riding have provided Mr H with sufficiently clear information about fees and acted reasonably in responding to him on this matter. In making this finding I have taken particular account of the following:

- Mr H signed a client agreement and an "adviser fees client authority" on 2 February 2013 which explained West Riding's charges and made clear that he would be charged no initial fee and an ongoing fee of 0.5%. In a letter on 14 March 2013, Mr L confirmed that West Riding would waive their initial fee for Mr H and change him an ongoing annual fee of 0.5%. The letter also provided information on fund manager and platform charges.
- Mr H signed an updated client agreement in January 2015, which again made clear that West Riding would charge an ongoing annual fee of 0.5%.
- West Riding provided a clear explanation of the fees that would apply in relation to Mr H's pension switch in 2020. Mr H signed a client and fee agreement in relation to that service on 5 May 2020.

Based on the evidence I've seen, I'm satisfied that West Riding have provided clear information to Mr H about the fees he would be charged. I'm not persuaded that West Riding have sought to mislead Mr H or failed to respond in a reasonable way to his questions.

Other issues

Mr H complained about Mr L's use of Facebook to attract business to West Riding. As I've noted earlier, our service is not the regulator, and it is not our role to comment on West

Riding's marketing and wider communications. Neither would it be appropriate for me to consider Mr L's personal use of social media. I won't therefore be commenting further on this point.

Mr H raised a complaint in relation to Mr L being executor of his will. I note that in his most recent submission Mr H has said that he asked Mr L to be executor and Mr L agreed. That was and remains a private matter between Mr H and Mr L and I'm satisfied that West Riding have done nothing wrong in relation to this point.

Mr H also complained about West Riding's decision to terminate their relationship. Based on the correspondence I've seen I think it would be fair to say the relationship between the two parties had broken down. I don't therefore think it was unreasonable for West Riding to terminate the relationship in the way they did, and I've not seen evidence that Mr H suffered any loss as a result of that decision.

As I noted earlier in this decision, I've not commented on every issue that has been raised in the course of this complaint. I have however considered all the evidence that has been provided. And whilst I think it's clear that the relationship between Mr H and West Riding ultimately broke down, I'm not persuaded I can fairly say that West Riding have acted unreasonably or failed in their duties to Mr H. I won't therefore be upholding this complaint.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Miss P to accept or reject my decision before 9 July 2025.

Matthew Young
Ombudsman