

The complaint

Mr T complains about the service received from Wren Sterling Financial Planning Limited trading as Wren Sterling ('Wren') in relation to his pension. Mr T says that Wren has failed to provide the ongoing advice he was paying for and that it also failed to arrange the collection of regular contributions to his pension.

What happened

Wren says that Mr T was a customer of a specific financial adviser ('F') dating back to 2006, when F arranged a pension for Mr T, with a business I'll call Firm R. While Mr T remained a customer of F from 2006, meeting to review his circumstances and objectives at times, Wren says there was no fee being charged for that ongoing relationship. F went on to be employed by Wren.

On 21 April 2021, Mr T met with his adviser, F, then working for Wren. Wren completed a fact-find recording updated information about his circumstances and objectives. This said Mr T was 55, in good health, married to Mrs T, and employed full time. They owned their own home, having recently moved and completed renovations to their new property. They had an outstanding mortgage of approximately £38,000 and owed roughly £10,000 in respect of the recent home renovations.

Mr and Mrs T's joint household expenditure exceeded their income by approximately £190 per month. They said that they were managing the deficit but were having to use their emergency fund. So, Mr T wanted to access tax free cash ('TFC') from his pension with Firm R, at that point valued at £200,206.39, and use this to clear the joint mortgage and pay off the bill for renovations. After this, their outgoings would reduce and be covered by Mr T's income.

Mr T had no plans to retire at that time and so didn't need to draw an income from the pension. The fact-find also said that, with the reduction in monthly expenditure, Mr T would *"be able to afford to continue his monthly contribution"*. It was noted that Mr T may reduce this when he became eligible to join his employers pension scheme in a few months.

Also on 21 April 2021, Wren emailed Mr T a client agreement and terms of business. This set out details of Wren's charging structure and included details of its ongoing advice service. It explained the fee for this was 1% of the pension value per annum. And the service included access to Mr T's adviser by email and phone, regular meetings to review progress against a consumer's plan, regular financial updates and newsletters as well as expert fund reporting. Mr T replied to the email on the same day, at Wren's request, confirming he was happy with the terms.

On 11 May 2021, Wren sent Mr T its recommendation. It summarised his objectives of accessing the maximum available TFC to clear liabilities while also adding that he *"would like to continue saving £100pm net into your pension for the time being"* and that he'd like to receive ongoing advice. Wren recommended that Mr T switch to a different pension with Firm R, as his existing policy didn't allow flexible access, and access TFC to meet his objectives. It said that the remaining funds would be invested in line with his attitude to risk,

which it had assessed, and he could continue paying into his pension to build up another smaller uncrystallised pot in the future, which it recommended as both Mr and Mrs T were likely to be dependent on the pension pot in the future. Wren also recommended that Mr T take out its ongoing advice service.

Mr T signed an application form to transfer his pension, in line with Wren's advice, on 27 May 2021. This form had a section for regular contributions to be set up, including a direct debit mandate. That section was left blank.

I've seen, in later statements, the start date of the new policy was recorded as being 14 June 2021.

Wren has provided a copy of its internal notes and emails, involving Mr T's adviser F, from October 2021. It was noted that regular contributions hadn't been set up following the agreed transfer. F said that regular contributions were "*on hold at the minute*" which is why these had not been set up.

Wren wrote to Mr T on 25 November 2022. The letter was titled 'Your Annual Portfolio Review'. It said, if he hadn't already he could sign up to Wren's online portal to receive all communication. It went on to say that an updated valuation of his pension was included and Mr T's adviser would contact him to discuss any questions he had about his annual review. The valuation showed that there had been no contributions to the pension in the past 12 months. The adviser named in the letter was not F. Wren says F stopped working for it in December 2022.

Wren has provided internal notes which say attempts were made to contact Mr T by phone on 7, 16 and 29 December 2022, albeit not by the adviser named in the letter from November 2022. These calls were unsuccessful. The notes refer to a follow up email having been sent after the second call but we haven't been provided a copy of that email.

We have been provided a copy of a separate email, sent on 11 January 2023, to Mr T. This said Wren had been trying to contact him but had been unable to do so. It said Mr T was entitled to a review meeting as part of the ongoing service with Wren. It said he should recently have received an up-to-date overview of his pension. And the email invited Mr T to contact it to discuss his financial plans or if his circumstances changed. Wren said, if it didn't hear from Mr T, it would contact him again "*at the next review date to offer a further review meeting*".

Wren sent Mr T a letter on 27 July 2023, but this was a general mailer outlining its "*refreshed and strengthened*" client service offering.

A portfolio report was produced by Wren on 12 March 2024. This confirmed the current value of Mr T's pension and that there had been no contributions to it for the past 12 months.

On 4 April 2024, Firm R wrote to Wren saying it had received a recent request to remove Wren as servicing agent for Mr T's pension.

Wren's call notes indicate that Mr T's adviser contacted him on 8 April 2024 about this and Mr T said he'd done this as he hadn't received any service from Wren. The adviser's notes indicate that they agreed to go ahead with a planned call the following week. But that call didn't take place.

Mr T then complained to Wren. He said he hadn't been informed about F leaving Wren and had no contact at all about reviews of his pension. He said it had also come to light, from the recent portfolio report, that regular contribution payments hadn't been collected. Mr T felt this

was down to Wren incorrectly cancelling his direct debit. Mr T requested that Wren refund two years' worth of management fees as he'd had no contact since F left the company.

Wren did not uphold Mr T's complaint. It said that the fee for its ongoing service did not only cover annual reviews, it had sent Mr T regular reports and newsletters and had tried to contact him in late 2022 / early 2023 about a review. So, it didn't agree that the fees should be refunded. And in respect of the contributions to the pension, Wren said its records indicated that it had been agreed that these be put on hold. Wren did accept that its communication about F having left could have been better, so it offered Mr T £100 in recognition of this.

Mr T asked our Service to consider his complaint. One of our Investigator's looked into it and thought it should be upheld in part. He said, on balance, he doubted Mr T had wanted the regular contributions to be stopped. But at the same time, Mr T had benefitted from retaining the £100 per month. So, the Investigator said he couldn't fairly ask Wren to cover the missed contributions but thought the payment for trouble and upset should be increased to £300. In respect of the ongoing service, the Investigator noted that no annual reviews had taken place. So, they thought the fees Mr T had paid should be refunded in full.

Wren didn't accept the Investigator's opinion. It said the fees had been in respect of more than just annual reviews and the opinion did not take account of the other services it had provided. It acknowledged however that there had been a delay of approximately 8 months between when the first review ought to have taken place (May 2022) and it attempting to contact Mr T (December 2022). So, it said it felt a refund of 50% of the fees for this 8 month period was fair (as it had still provided other services to him). It said this amounted to £441.03. It said it would also add interest at 8% so would pay £511.60. And it indicated it would pay the £300 for trouble and upset, as directed.

Mr T did not accept Wren's offer. And the Investigator wasn't persuaded to change their opinion.

Wren has since added that it believes its arguments are supported by the views of the regulator and that the investigator's findings are inconsistent to what we have said in other complaints we have looked at.

As agreement could not be reached, the complaint was referred for review by an Ombudsman. I issued a provisional decision in July 2025 explaining that I thought Mr T's complaint should be upheld in part. Below are extracts from my provisional findings, explaining why, which form part of my final decision.

The main issues in Mr T's complaint are regular contributions not having been made since the advice he received from Wren in 2021 and the fees he's been charged for ongoing advice. For ease of reading, I'll look at these issues separately.

Regular pension contributions

Mr T has said, prior to the advice he received from Wren in 2021 he was making regular contributions of £100 per month to his Firm R pension. Wren hasn't disputed this. And the documents at the time of the advice refer to continuing to save this amount after transferring to a new Firm R pension – which indicates that contributions were being made.

Mr T has said it is Wren's fault that these payments were not made from June 2021 as it cancelled the regular payment and it should not have done. Wren says that Mr T asked for these payments to be put on hold and that he has likely since forgotten this.

The recommendation in 2021, which Mr T accepted, was to transfer to a new pension, that allowed flexible drawdown, so that Mr T could take TFC. Although this was still with the same provider, Firm R, I'm satisfied that this would've meant a new regular payment needed to be set up for regular pension contributions to continue, and the old instruction would have been cancelled.

It appears when Mr T spoke to his adviser, F, the intention was that a new payment instruction for regular contributions would be set up. The fact find recorded that one of Mr T's goals was to be able to continue with monthly regular contributions to the plan. This was repeated in the suitability report as an objective of his. And, when setting out why the new pension was recommended, Wren said that Mr T could continue to pay into it. These things all indicate that continuing with regular payments was Mr T's plan.

At the same time though the fact find also noted that Mr and Mrs T's expenditure exceeded their income at the time. Releasing TFC to repay their mortgage and renovation bill was intended to address this income shortfall, and allow Mr T to subsequently continue to make contributions to the pension. But given the circumstances at the time, I can understand why a pause may have been discussed (which an email from F internally at Wren, says happened). In addition, the section of the application for the new pension relating to regular contributions was left blank, indicating the intention wasn't to continue with these at that time. And Mr T signed that application form.

Ultimately regular contributions were not set up after the transfer. There are conflicting opinions from the parties on why this didn't happen. I think it is unlikely though that Wren, and the specific adviser F, would have not set the relevant regular payment up, unless this had been discussed with Mr T. It did not stand to gain from doing so. And the pension statements from Firm R, and regular summaries from Wren itself (including the one sent in November 2022), highlighted this to Mr T, meaning he'd have been aware of Wren not having set the instruction up. So, on balance, I think it is more likely that the parties agreed at that time for the regular contributions to be paused.

In any event though, whatever the reason for the regular contributions not being made to the pension from 2021 onwards, like our Investigator said, I can't fairly require Wren to pay Mr T an amount equivalent to the contributions not made – either directly or to his pension. While the money has not been credited to the pension, Mr T has not lost that money. Rather it remained in his bank account as available money to spend. And, based on his intended monthly contribution and the amounts he is entitled to pay into a pension each year, he has the option to make increased payments over the next couple of years to make up for the missed contributions.

Ongoing adviser charges

As a regulated firm, there were many rules and principles Wren needed to adhere to when providing advice to Mr T about his pension. Many of these are found in the regulator's, the Financial Conduct Authority ('FCA'), handbook under the Principles for Businesses ('PRIN') and the Conduct of Business Sourcebook ('COBS'). And in relation to ongoing advice charges, the following provides useful context for my assessment of Wren's actions here.

In 2014, the FCA produced guidance in the form of a factsheet titled "For Investment advisers - Setting out what we require from advisers on how they charge their clients". The factsheet said:

Ongoing charges should only be levied where a consumer is paying for ongoing service, such as a performance review of their investments, or where the product is a regular payment one. If you are providing an ongoing service, you should clearly confirm the details

of the ongoing service, any associated charges and how the client can cancel it. This can be written or orally disclosed. You must ensure you have robust systems and controls in place to make sure your clients receive the ongoing service you have committed to.”

The factsheet wasn’t published until late 2014, but it didn’t mark a change to the rules firms like Wren were already expected to follow. Rather it re-enforced or reminded firms of the standards already in place when providing on-going advice services.

There are also specific rules and guidance within COBS about ongoing advice charges. COBS 6.1A.22 says:

“A firm must not use an adviser charge which is structured to be payable by the retail client over a period of time unless (1) or (2) applies:

(1) the adviser charge is in respect of an ongoing service for the provision of personal recommendations or related services and:

(a) the firm has disclosed that service along with the adviser charge; and

(b) the retail client is provided with a right to cancel the ongoing service, which must be reasonable in all the circumstances, without penalty and without requiring the retail client to give any reason; or

(2) the adviser charge relates to a retail investment product or a pension transfer, pension conversion or pension opt-out or arrangement with an operator of an electronic system in relation to lending for which an instruction from the retail client for regular payments is in place and the firm has disclosed that no ongoing personal recommendations or service will be provided.”

In February 2025, the FCA published findings from a review it had conducted into whether financial advisers were delivering the ongoing advice services that consumers have paid for. Amongst the things that the FCA said it had found it said it recognised “there may be circumstances where firms have made reasonable and proportionate attempts to engage with clients to conduct suitability reviews without success”. And it said in those situations it thought the need for redress would be less likely.

Wren advised Mr T in May 2021 and the recommended transfer to a different pension plan completed in June 2021. It has provided evidence that Mr T began paying ongoing advice charges from July 2021 and did so until March 2024. The total amount paid was £3,845.36. So, the payments were made for 33 months, meaning at least two annual reviews ought to have taken place. And the monthly payments for the ongoing service were being claimed ‘in advance’ of the annual review taking place, as they began in 2021 but a review wasn’t due until 2022.

Wren has acknowledged, in response to the Investigator’s findings, that the first suitability review should have been conducted in May 2022 (the 12-month anniversary of the original advice). But the process wasn’t begun until December 2022 as its review system didn’t operate as it would have wished (which it has said was potentially due to the original adviser leaving the business). Regardless, it follows that, had things gone as they should have a further review would have been due in May 2023. But as it was, no annual reviews were actually conducted.

Wren has said that annual suitability reviews were not the only service that Mr T was paying for as part of its ‘ongoing client services’. The terms of business from 2021 refer to the ongoing services providing a consumer access to their adviser and that they’d benefit from:

- *'Forward planning meetings' - being the annual suitability reviews,*
- *'Financial update programme' - which involved Wren providing a magazine it produced twice a year as well as email updates including things such as Wren's commentary on the treasury budget,*
- *'Expert fund reporting' - which Wren explained was it utilising the expertise of selected investment partners to monitor, report on and review the suitability of the investment funds it recommends.*

At the same time though the 2021 suitability report says that one of Mr T's objectives was that he would like to receive ongoing advice and to review his plan against his objectives in the coming years. In the 'recommendation' section, ongoing advice in retirement is the key benefit highlighted to Mr T of signing up to the service, with Wren saying he placed value on this. When discussing the recommended investment, the 'expert fund reporting' wasn't cited as a reason for the recommendation. And only the ongoing advice portion of Wren's 'ongoing client services' was referred to when discussing the potential risks – specifically that without this the plan may not be suitable for Mr T at a later point.

In addition, the 'expert fund reporting' that Wren has referred to appears to describe something that Wren would always have needed to do. It talked about its investment committee reviewing the funds it recommended to ensure they remained suitable. But it was required by the regulator, when making recommendations, to ensure these were suitable and in a customer's best interests. So, regular reviews of the investments and products it recommended to both new and existing customers was something it would always have needed to do in the course of carrying on its activities of providing advice. I also haven't seen anything to indicate that the information provided in Wren's email updates and magazines was specific to Mr T's pension.

So, while I've taken on board what Wren has said about the 'ongoing client service' as a whole, the key feature in my view, which was highlighted prominently to Mr T in the recommendation with none of the other parts mentioned, was ongoing annual suitability reviews of his plan with an adviser. And again, none of these were carried out. So, the main part of the service he was paying for wasn't delivered.

Wren did attempt to contact Mr T to arrange an annual review in December 2022 and January 2023. It sent a letter to Mr T in November 2022 which referred to an annual review and said that Mr T's adviser would be in touch. Three attempts to call Mr T appear to have been made in December 2022. And the adviser emailed Mr T in January 2023, saying Wren had tried to contact him but had been unsuccessful and asking him to get in touch, otherwise it would next contact him when the next annual review was due. And the email address the adviser used was the same one Mr T has provided to us.

I think these attempts by Wren were reasonable and proportionate in the circumstances – being that they were through different channels and there were several different attempts. It isn't clear why the attempts to contact Mr T about an annual review were unsuccessful. But given I think Wren has reasonably attempted to conduct a review; I don't think it would be fair to require it to refund the fees paid in relation to that review.

As Wren has acknowledged though, the attempt to carry out the first annual review was done late. So, the fees in respect of the review that it contacted Mr T about are not, in my view, all fees that were paid until January 2023. Rather they are the first twelve months of fees from July 2021, when Mr T had started paying them.

I've seen no attempt by Wren to arrange a further review. If there hadn't been a delay with

the first review, a second annual review would have been due by May 2023. But I've seen no evidence of an attempt by Wren to contact him at that time (either by phone, email or letter) to arrange a review. The letter that was sent in July 2023 was not related to a review.

Even if the argument was made that the next review ought to have been around December 2023, which for the avoidance of doubt I don't agree with, there is still no evidence of an attempt to contact Mr T to undertake a review at that time.

I can see that a portfolio report appears to have been produced in March 2024 for Mr T. And I'm satisfied that he received this because he has indicated this is what made him aware that regular contributions weren't being made to his pension. But I haven't seen evidence that there was any attempt by Wren to arrange an annual review accompanying this, even though one was significantly overdue by that point.

I can see that Wren called Mr T after he had cancelled the ongoing service, with its notes saying that he'd done so because he wasn't receiving any service from them. There is then a further note from the adviser, dated 18 April 2024, saying that he'd actually contacted Mr T on 26 March to arrange a telephone meeting. But no system note or evidence has been provided of that apparent call in March 2024. The 18 April 2024 note goes on to say why a call didn't take place as scheduled – as it was rearranged by text. But again, this was all after the service had been cancelled, because Mr T had not received what he had paid for. So, based on what I've seen so far, I don't think Wren has made reasonable or proportionate attempts to arrange an annual review after the initial unsuccessful attempt.

Taking all of this into account, I'm currently minded to recommend that all ongoing fees Mr T has paid after the first twelve months, be refunded in full.

In its response to the complaint Wren offered Mr T a payment of £100. The reason given was that its communication about F no longer being his adviser could have been better. And I agree that this ought to have been handled better as I can't see that Mr T, who was a longstanding customer of F, was given any real explanation about this, beyond the brief mention in Wren's letter of November 2022 that he was under the care of a different adviser.

Our Investigator thought a payment of £300 for the overall distress and inconvenience caused was more appropriate, highlighting in addition the regular contributions not being set up. Wren appears to have suggested in response to the Investigator's opinion that it doesn't object to the level of payment for distress and inconvenience the Investigator has recommended.

I've thought about this again. As I've explained, I think it is unlikely that Wren took the decision not to set up the regular contributions payment arrangement contrary to Mr T's wishes. And I think it is more likely that this was discussed with him. So, I don't necessarily think that Wren has done something wrong in that regard. At the same time however, as I've explained, I think Wren has largely failed to provide Mr T the ongoing service which he agreed to, even though according to Wren's own suitability report, this was something that he valued, particularly given him being at the point he had begun to utilise his pension (by drawing TFC). And I think him not receiving the service that he was expecting was likely upsetting. So, based on what I've seen so far, I think the recommendation that Wren make a payment for £300 for the distress caused to Mr T is fair, albeit for slightly different reasons.

Responses to my provisional decision

I gave both parties an opportunity to make further comments or send further information before I reached my final decision.

Mr T said he was not happy with my decision as much of Wren's information was wrong. He said what I'd described about the advice and documents in 2021 hadn't happened, there hadn't been phone calls or an email about a review in late 2022 / early 2023 and he disagreed with my opinion on several points.

Wren also said it disagreed with aspects of my decision. It said I'd declined to apportion some of the fees for its ongoing services to the non-review parts of this service which it didn't agree with. It said these services were valued by its customers and thought some apportionment was reasonable.

Wren also said it had tried to conduct a further review between December 2023 and March 2024. It noted it had written to Mr T on 21 March 2024 saying it had tried to do so. It said it couldn't evidence any of the contact prior to that letter but on balance thought it had tried to contact Mr T. So, it didn't agree that it had not attempted to provide the review service.

Lastly it didn't agree that it should make a payment for distress and inconvenience because it didn't think Mr T had found this lack of service upsetting.

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.

Mr T has said several events I set out did not happen and it was untrue that regular contributions being stopped was discussed.

While I know Mr T feels strongly about the complaint, when considering matters I've looked at the documentary evidence that is available. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Amongst the things that Mr T says didn't happen was him being provided a recommendation and completing an application form in 2021. And he says there was no attempt to contact him by Wren in January 2023 by email. But I've seen a copy of the written recommendation from 2021. And I've seen a copy of the signed application form for the new pension. I've also seen the email from January 2023 that I've referred to, which was headed annual review, and it was addressed correctly. So, while Mr T says these things didn't happen, that isn't supported by the available evidence.

Mr T has also disputed that ceasing regular contributions was discussed and has said he had no benefit from the money remaining in his account and would have preferred it to be in his pension.

As I explained in my provisional decision, it isn't clear why regular contributions were not put in place after the advice to transfer. So, I've had to make my decision on this issue based on what I think is more likely than not to have happened. And for the reasons I explained I think it is more likely that it was agreed that these would be paused. And I haven't seen anything that leads me to change my opinion on this.

Ultimately payments weren't made into the pension. But they also weren't deducted from Mr T's current account either. So, it isn't the case that he has paid money from his account which has not reached the pension. So, he hasn't lost that money. It just isn't where he would now prefer it to be. As he has retained the funds though, I can't fairly tell Wren to pay an amount equivalent to the regular contributions into the pension. Because if it did so, Mr T

would be in the position of having received contributions to the pension while not having paid for these – which isn't a position he would otherwise ever have been in. As a result, I haven't reached a different opinion on this point and don't require Wren to take any action in respect of the regular contributions.

Turning to Wren's comments, while I know this will come as a disappointment to it, I'm also not inclined to depart from my provisional findings based on these.

Wren believes that a portion of the cost should be apportioned to the non-review parts of its ongoing service which it says it provided and are valued by its customers.

I'm not disputing that several of Wren's documents refer to additional services, on top of ongoing reviews, that it will provide. But none of the documentation from the time apportions cost to the various services. So, I think to do so now, retrospectively, wouldn't be reasonable.

In its communication with Mr T, I'm satisfied that the ongoing reviews were emphasised as the main and key feature of the ongoing service. And it was the ongoing reviews that Wren's recommendation said Mr T placed value on. On balance, I think it was the offer of ongoing reviews that was of interest to Mr T and I don't think it is likely he'd have agreed to pay for Wren's ongoing service if these reviews were not part of it (and it was only the non-review services that were available). And it was these ongoing reviews that Wren failed to provide. So, where that is the case, I remain of the opinion that it is fair that a full refund of the relevant fees would be fair.

Wren says that it attempted to contact Mr T about an ongoing review between December 2023 and March 2024. But it has acknowledged that it can't provide evidence of the contact. As I explained in my provisional findings, a review would have been due in May 2023, rather than December. But that notwithstanding, I can't reasonably conclude that Wren made reasonable and proportionate attempts to conduct a review at that time.

It is true that Wren's letter of 21 March 2024, which provided Mr T with the annual pension summary did say it had been trying to contact him. But without any evidence to support that phone calls were made or that emails were sent, I can't say that this wording alone is sufficient to say that Wren did enough to try and contact him about a review at that time. As I said in my provisional findings, it appears that the contact only intensified once Mr T had instructed his pension provider to stop paying ongoing service fees to Wren.

Taking everything into account, I can only reasonably conclude that Wren made appropriate and proportionate attempts to arrange an ongoing review once. So, I remain of the opinion that all fees for the ongoing service, outside of the initial twelve months of fees, should be refunded.

Wren also disputes that a payment should be made for the distress and inconvenience caused as Mr T didn't attempt to contact it to arrange reviews so doesn't appear to have been upset that these didn't take place.

To clarify, I didn't recommend this solely because of the reviews not taking place. Wren acknowledged in its response to the complaint that its communication with Mr T could have been better – noting it delayed conducting the first review and didn't explain to him as clearly as it could that F was no longer his adviser. I think the poor communication about F in particular was likely to have been disappointing to Mr T, given his longstanding relationship with F. And I think compensation in respect of the upset this caused should be paid – which Wren agreed with when responding to the complaint.

My view though was that the offer by Wren wasn't fair, as I think Mr T is likely to have been caused additional distress as a result of not receiving the service he was paying for. I still remain of the opinion that Mr T was likely to have been upset to find he hadn't received the service he'd paid for – which is supported by him having complained. And so, I also remain of the opinion that a payment of £300 would be more appropriate in the specific circumstances of Mr T's complaint.

Putting things right

I think Wren has failed to provide the agreed ongoing service to Mr T for the majority of the time he was paying for this. I'm satisfied that it attempted, albeit late, to conduct one annual review. And I think the first twelve months of fees should therefore not be refunded. But after that I don't think Wren has done what was required of it. So, I think it would be fair and reasonable that all further fees after the initial twelve months be refunded.

These amounts should be adjusted for growth had the fees remained in the existing investment funds, from the date the fees were deducted to the date of my final decision.

The compensation amount should be paid into Mr T's pension plan if possible. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr T as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

Mr T has utilised his entitlement to tax-free cash from the pension. So, the loss would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. And I think it is fair, if paying a lump sum to Mr T rather than paying into the pension, that Wren makes a notional reduction of 20% from the loss to reflect this.

Wren should provide details of the calculation to Mr T in a clear, simple format.

In addition, Wren should pay Mr T £300 for the trouble and upset caused.

My final decision

For the reasons I've explained, I'm uphold Mr T's complaint in part.

To put matters right, Wren Sterling Financial Planning Limited trading as Wren Sterling, should compensate Mr T in line with the steps set out in the 'putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 29 August 2025.

Ben Stoker
Ombudsman