

The complaint

Miss V complains about the poor level of service and advice provided by St. James's Place Wealth Management Plc ("SJP") since it advised her in 2020. She's asked the Financial Ombudsman Service to conduct a full review of everything that has happened during her relationship with SJP to identify errors and unfair treatment she believes she's suffered. SJP has already paid compensation to Miss V. She believes she's entitled to further compensation.

What happened

The events leading up to this complaint were set out in detail by our investigator in his assessment which he sent to both Miss V and SJP. I don't intend to repeat here in detail what our investigator stated but will instead provide a summary.

Miss V had built up benefits in two defined benefits pension schemes provided by the NHS and National Grid. She was in ill-health and wanted advice on retirement planning and buying another property. In July 2020, when she was aged 57, SJP advised Miss V to transfer her National Grid pension valued at £467,621 to a SJP retirement account. Transferring would enable her to access the maximum tax-free lump sum available and some taxable income to complete the property purchase (with the balance funded by a mortgage). SJP advised Miss V to retain her NHS pension to meet her retirement income needs in conjunction with her state pension, rental income and non-means tested benefits from age 67.

In August 2020, Miss V started to receive her NHS pension early on the grounds of ill-health.

Miss V experienced delays in securing the mortgage to buy the property. She sought further advice from SJP. In September 2020, SJP advised Miss V to obtain a bridging loan followed by a let to buy mortgage to complete the property purchase. SJP advised Miss V against taking further taxable income from her retirement account to complete the property purchase because it would lead to a punitive tax charge in excess of £100,000. But Miss V rejected this advice and decided to withdraw further taxable income from her retirement account. The outcome was that she used most of the value of her retirement account to complete the property purchase.

Following this, Miss V made several complaints to SJP between 2020 and 2024 about the poor level of service and advice she believed she had received. Some of these have already been investigated and resolved by SJP including the payment of compensation. The Financial Ombudsman Service was involved in resolving some of those complaints.

Miss V made a fresh complaint in early 2024 which is being dealt with under this complaint reference number. Our investigator explained to Miss V that parts of her latest complaint were about issues she had previously complained about, and which had already been resolved to her satisfaction at the time. Our investigator set out a chronology of Miss V's historical complaints against SJP and explained to her which parts we couldn't investigate again. He noted that even though Miss V may now feel the outcomes weren't fair, it wouldn't be reasonable for him to consider these again. And so he confirmed that he wouldn't be

conducting a full review of everything that has happened during Miss V's relationship with SJP.

Under this complaint reference number, the investigator explained to Miss V that he was only able to consider her latest concerns on these two specific points which hadn't previously been considered:

- whether SJP should have advised her in July 2020 to combine her NHS and National Grid pensions into a single fund; or
- whether SJP should have advised her in July 2020 to take both her NHS and National Grid pensions early on the grounds of ill-health.

After considering the evidence, the investigator concluded that the advice provided by SJP was suitable. As a result, he didn't think SJP needed to do anything further.

Miss V didn't accept the investigator's opinion and provided additional comments. She requested that this complaint be reviewed by an ombudsman. It's been allocated to me to review and decide. This is the last stage of our process.

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 taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. I'd like to clarify that the purpose of this decision isn't to repeat or address every single point raised by the parties to this complaint. So if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Scope of this final decision

I want to comment on Miss V's previous complaints against SJP. It's clear that these were resolved after she accepted SJP's compensation at the time. It might be that, upon reflection, Miss V now feels the compensation received didn't take everything into account and is therefore insufficient. I suspect this is what has driven her to make this fresh complaint because most of the points she's made are a repetition of previous complaints which have been resolved. However, I don't think that means I should now investigate matters that were previously resolved to decide whether the compensation paid was fair. For the reasons explained by our investigator, I'm only able to consider her latest concerns on the two specific points related to combining her pensions and taking benefits early on the grounds of ill-health.

Miss V didn't provide any new material comments or evidence for me to consider in response to the investigator's assessment. Having considered the available evidence, I agree with the view reached by the investigator and for much the same reasons. I'll deal with each of the two points of Miss V's latest complaint that I'm able to consider under this complaint reference number.

Should SJP have advised Miss V to combine her NHS and National Grid pensions?

Miss V has suggested that SJP should have advised her to transfer both the NHS and National Grid pensions into the SJP retirement account so that these could be combined into a single fund. This wouldn't have been possible. The NHS pension scheme doesn't allow

transfers to any pension scheme that offers flexible benefits such as SJP's retirement account. And it's unlikely the National Grid scheme would have accepted a transfer in from the NHS pension scheme and vice versa because Miss V was a deferred member of both schemes at the time of the advice.

In conclusion, it wouldn't have been possible for Miss V to combine both pensions into a single fund as she seems to believe. Therefore, I cannot find SJP at fault for failing to advise Miss V to do something that wasn't possible to achieve.

Should SJP have advised Miss V to take her NHS and National Grid pensions early on the grounds of ill-health?

In July 2020, SJP advised Miss V to retain her NHS pension to meet her retirement income needs in conjunction with her state pension, rental income and non-means tested benefits from age 67.

It's true that SJP didn't advise Miss V to take her NHS and National Grid pensions early on the grounds of ill-health. But she's confirmed to the Financial Ombudsman Service she took her NHS pension early on the grounds of ill-health in August 2020 when she was aged 57. This was only a few weeks after SJP first advised her. I'm not sure what point Miss V is trying to make here. Bearing in mind SJP issued its recommendation in July 2020, had it advised her to explore taking her NHS pension early on the grounds of ill-health then it likely wouldn't have been implemented any earlier than August 2020 in any event. Therefore, I cannot find SJP at fault here.

As for Miss V's National Grid pension, it may have been possible to take these benefits early on the grounds of ill-health had it been explored at the time. But I don't think SJP failing to do this changes anything. I say this because Miss V was strongly motivated to buy another property as confirmed in the contemporaneous evidence from 2020 – so much so that she was prepared to pay a punitive tax charge in excess of £100,000 on a taxable withdrawal from her retirement account against SJP's advice to complete the purchase. And she didn't want to sell her existing property or release equity from it to fund the property purchase. So the only way she was able to achieve this objective was by converting the value of her National Grid pension into a flexible fund which is precisely what she did following SJP's recommendation in July 2020.

Notwithstanding this point, paying a defined benefits pension early on the grounds of ill-health doesn't change the format of how those benefits are paid or increase the transfer value available if transferred to another pension scheme. It just means benefits are paid in the same format and sooner without the usual early retirement factor applied. So even if Miss V took benefits direct from the National Grid scheme, she wouldn't have been able to obtain a lump sum sufficient enough to buy the property outright as she did. Transferring the National Grid pension into a flexible fund was the only way to achieve Miss V's stated objective. In making this complaint, I think Miss V has missed this critical point.

Conclusion

I agree with the conclusion reached by our investigator. I don't think SJP made an error or treated Miss V unfairly in respect of the two specific points covered above. Therefore, I don't consider it would be fair or reasonable in these circumstances for me to direct SJP to pay compensation to Miss V – or to take any further action in response to this complaint.

My final decision

For the reasons given above, I don't uphold this complaint or make any award against St.

James's Place Wealth Management Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 27 November 2024.

Clint Penfold
Ombudsman