

The complaint

Mr H complains that St James's Place UK plc ('SJP') have unfairly prevented him from accessing the monies he's invested within their property fund.

Mr H would now like SJP to allow him access to the monies he has in their property fund so he can transfer the funds away to a new provider.

What happened

In March 2024, Mr H withdrew a number of his investments from SJP and switched them to a new provider. However, as some of his monies were invested in SJP's property fund which had been suspended, he was informed that those funds would have to remain with SJP until such time as the restrictions were lifted.

Unhappy, Mr H raised a complaint directly with this service. But as Mr H hadn't given SJP an opportunity to look into matters first for him, he was directed to contact them. So, Mr H formally complained to SJP. In summary, he said that he didn't think it was fair that they were holding on to his monies and not allowing him to transfer the funds that were sat within their property fund elsewhere.

After reviewing Mr H's complaint, SJP concluded they were satisfied they'd done nothing wrong. They also said, in summary, that property funds had been coming under increasing pressure across the whole market due to the cost-of-living challenges as their clients have increased withdrawals or limited their investments. They also said that office space remaining vacant post-Covid as employees continue to work from home and retail space becoming empty as companies leave the high street had resulted in all this uncertainty. SJP said that together with significant outflows from the funds, they'd decided to suspend trading in the property unit trust fund in October 2023. SJP said that the property funds were experiencing significant withdrawals which they couldn't meet without selling property assets at a substantial discount to fair market value.

SJP went on to say that a letter was issued to over 200,000 of their clients who were invested in the property fund at the time of suspension, to advise how this would impact their investment, which Mr H was included within. SJP said that in recognition of the inconvenience caused, they wanted to pay Mr H £150.

Mr H was unhappy with SJP's response, so he referred his complaint to this service. In summary, he said that he was unhappy he'd been unable to withdraw his monies within the property fund which had prevented him from making a new investment elsewhere. Mr H also said that he was worried the value of the fund was losing money and wanted a date so he would know when to expect his monies.

The complaint was then considered by one of our Investigators. She concluded that SJP hadn't treated Mr H unfairly because in suspending withdrawals, all fund holders were being treated equally and fairly. Given that she'd seen SJP had also reduced the charges that

were being incurred by the fund and Mr H had been notified of the changes at the point the suspension came in and when he'd tried to access his money, she felt that SJP hadn't been unfair with him and the £150 that they'd offered is more than what this service would typically have awarded.

Mr H, however, disagreed with our Investigator's findings and then asked the Investigator to pass the case to an Ombudsman for a decision.

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 have summarised this complaint in less detail than Mr H has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. 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. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr H and SJP in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr H's complaint - I'll explain why below.

I can well appreciate how disappointed Mr H must've felt when he was informed that he couldn't move the monies he'd saved within SJP's property fund to his new investment elsewhere. SJP have already explained in detail the background to why they paused withdrawals from the fund, so I don't intend to repeat that background here; other than to say I don't think their explanation and intentions are unreasonable. But, from what I've seen, this isn't an issue that's exclusive to SJP – a cursory internet search identified at least three other property fund providers who've also introduced similar controls over recent years given the unique market conditions of late, to protect and treat all of their consumers fairly, although I suspect that will be of little comfort to Mr H.

Having looked at SJP's supplementary information document that Mr H would've been provided with at the start of his relationship with them, it seems clear to me that SJP are well within the rights to both suspend funds, and also delay any withdrawals from them as they see fit to protect the rights of all customers within that fund. That's covered on page 7 under section 2.3 'Will there be a delay with any of my transactions?'. SJP informed unit holders in October 2023 of their plans and they appear to have kept consumers abreast of the property fund issues on their website. So, I'm satisfied that SJP have communicated the issue to their customers.

In his submissions to this service, Mr H has asked that I instruct SJP to release his entitlement from their property fund because in retaining his monies, he's being treated unfairly. But if I were to do that (which I'm not), it would mean that Mr H would be treated more favourably than other consumers who also have their savings sat within SJP's

property fund – so that wouldn't be either fair or reasonable on the customers that remained within the fund.

From what I've seen on SJP's website, further updates about their property funds have been provided to all customers since Mr H submitted his complaint to this service. Those updates were provided in November 2024 and March 2025. It seems that SJP made partial distributions to Mr H in December 2024 and the most recent being on 15 March 2025. I'm cognisant that Mr H has asked for a timescale in his complaint of when he could expect his monies back and according to SJP's latest communication, they anticipate the sale of properties to take around two years, although that is subject to change.

SJP have offered Mr H £150 for the inconvenience of not being able to access his money within the property fund. As I've not been able to conclude that SJP have done anything wrong, I'm not going to make an award to Mr H but if he wishes to accept their offer, he should contact them directly to see if this is still available.

My final decision

I'm not upholding Mr H's complaint and as such, I'm not instructing St James's Place UK plc to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 April 2025.

Simon Fox
Ombudsman