

The complaint

Mr P complains about the advice by GP3 Financial Solutions Ltd (GP3) in March 2024 to rebalance the investment strategy in his pension. Mr P says the adviser knew he wasn't in the right space to make large financial decisions. Mr P said he had also made it clear that he wanted any switch to be instant and wasn't informed by GP3 of the timeframes involved in a switch.

What happened

Mr P had a review meeting about his pension in late February 2024. Records from the time show that several topics were discussed including utilising his and his wife's pension allowances for the current tax year and moving some money from ISAs to their pensions. They also discussed a planned house purchase and cashflows that had been prepared to demonstrate various scenarios if money was withdrawn for the purchase and home improvements.

GP3 discussed a managed portfolio service (Wealthselect) with Mr P. It was recorded that Mr P liked the sound of it and had seen the fund factsheets and that he wanted to proceed to move his pension to 75% Wealthselect Blend 6 and 25% Wealthselect Blend 5 and keep the ISAs in cash. The new portfolio was based on the same risk profile as Mr P had before, but offered active management which meant portfolios would be regularly rebalanced and managers could react to economic changes more quickly and without the need for Mr P's authorisation each time.

Emails between Mr P and GP3 followed. On 6 March GP3 told Mr P he would be receiving the documents to move the monies from his and wife's ISAs to their pensions. He also said that following their discussions he would also recommend Mr P to switch to the Wealthselect funds.

Mr P responded to say he had looked at the Wealthselect proposition and he wasn't that excited, especially if he compared the funds against some Prudential funds. He said that he wasn't in a good frame of mind and he didn't think it was a good time to make any more large decisions. Mr P was already looking at buying a house and Mrs P was about to undergo treatment for cancer. He was also coming to terms with past decisions he had made about his pension and that he didn't receive any redress on his British Steel complaint. He was reluctant to change his funds due to past experiences.

On 12 March GP3 emailed Mr P to confirm the moves from some ISA monies to pensions. They said they would recommend a change of investments in the pension. His existing funds had performed well, but this wouldn't mean this would carry on and the Wealthselect route offered a bit more structure and management. However, they agreed not to do anything at the moment as per Mr P's request. Mr P agreed that he would look at other funds when everything else had settled.

Mr P was sent a suitability report on 14 March which set out all the different recommendations. With regards to the Wealthselect portfolio it said:

Following our review and my email summarising our discussions, you opted against switching funds, preferring to stay in your current portfolio. I have emphasized that this goes against the advice provided by GP3. Given recent positive performance and your feeling that changing funds hasn't been beneficial in the recent past, you wanted to remain in the same funds.

Mr P responded by email on 15 March to say that he had read the suitability report and that he hadn't expected it to be so detailed after their discussions. He said his only desire had been to top up the pension funds and have a detailed review later. However, having read the report he realised that when he said he wasn't excited with the Wealthselect proposition he thought his attitude to risk had been altered and he must have read the wrong factsheets. He said if the new funds were comparable to his existing balanced and adventurous funds, he would like to reconsider his decision not to switch.

He said:

These funds seem to offer a managed system that can act rapidly. Because there is a lot going on with anticipated rate cuts and a USA election etc. I think this could prove very valuable asset. My reluctance to change my funds when they are finally making gains is understandable. But so long as the change to new funds is near instant and no cash deposits are left, I think it makes sense to adopt this more instant managed strategy.

He said he had not wanted to face any more decision making, but he had jumped to conclusions on this and shying away from decisions wouldn't help.

On 20 March GP3 told Mr P everything had been instructed and at the same time the switch was taking place. So everything would be happening in the coming week or two. Mr P raised concerns as his pension funds had been switched to cash and he was concerned he was missing out on market increases. He said he had been explicit that he would change if it was near instant. Now it seemed it would take a week or two.

On 21 March GP3 explained that the timescales mentioned had related to all instructions including the ISA to pension switches. He said his pension funds were switched two days ago and the cash was used to purchase the new funds. He reassured Mr P that he was confident Mr P would see the benefit of that morning's positive market.

Mr P complained to GP3 that he shouldn't have been advised at all about fund switches at the time and he wasn't told that the switch wouldn't be instant until his pension funds had already been disinvested from his old funds.

GP3 rejected his complaint. Mr P referred his complaint to our service. One of our investigators didn't think GP3 had acted unreasonably or unfairly.

Mr P disagreed so his complaint was referred to me for an ombudsman's 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.

Having reviewed the complaint independently, I have reached the same conclusions as the investigator.

Advice on the switch

An annual review of Mr P's pension was due every year in February/March. Mr P had a conversation with GP3 and they discussed some suitable fund switches in his pension as well as pension top ups and cashflows if he was buying a house. I don't think this was unreasonable. When Mr P said he wasn't in the right head space to make such large decisions and didn't want to proceed with a pension fund switch, GP3 accepted this and agreed to discuss this at the next review.

Mr P says he felt pressured by the suitability report and by telling him he was going against GP3's recommendations. He says he felt he was about to make a wrong decision again by not following GP3's advice.

I appreciate Mr P says he didn't expect a detailed report from GP3. However, it was in line with their regulatory obligations to summarise what was discussed and set out their recommendations and reasons for it to Mr P in writing. They included a section to explain that Mr P didn't want to follow their recommendation with regards to the fund switch. I don't consider this was unreasonable or intended to pressure Mr P to change his mind. It simply recorded what was agreed.

I appreciate that Mr P was dealing with a lot at the time and initially thought he'd rather discuss any switches at a later stage. However, from the emails I have seen Mr P ultimately changed his mind because after reading the suitability report he properly understood the recommendations and saw the value of an active managed solution. I think from the emails at the time GP3 could reasonably conclude that he was happy and in an informed position to make that switch. I don't think GP3 acted unfairly here.

Timing of switch

It's clear that Mr P at the time was experiencing increased returns on his pension and he didn't want to be out of the markets and lose out on any future market increases. He said he wanted to switch as long as the switch was near instant and no cash deposits would be left. When a fund is switched, it needs to be sold and the new assets then need to be bought. Given the markets seemed to be doing well, I can understand Mr P's desire to keep his time out of markets at a minimum.

I agree GP3 could have clarified in direct response to Mr P's comments that a switch would never be instant, but would take a few days. However, I'm not persuaded that this would have stopped Mr P from progressing. GP3 would have likely explained that a switch would be fairly quick and whilst there is always a risk of market movements during a switch, this should not be reason not to switch at all as at no point the specific market movements could be foreseen. Mr P was also switching from one diversified portfolio to another. I can see Mr P thought anticipated interest rate cuts in the US might affect markets, but this wouldn't necessarily mean that within a few days all funds would increase in value and Mr P would definitely lose out. So if Mr P had received all those explanations on balance I think he would have trusted and followed his adviser's recommendations.

So on balance I don't think GP3's lack of explanation that a switch would happen within a few days rather than instantly would have led to Mr P investing differently or at a different time.

My final decision

I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 September 2025.

Nina Walter
Ombudsman