DRN-5130149

The complaint

Mrs B's complaint is that LIFT-Financial Ltd (LIFT) provided them (Mr B has also complained and his complaint is dealt with under a separate reference) with mis-leading valuations. Mrs B says she was shown positive valuations and wasn't aware that at certain times her pension was losing money. She says this meant she wasn't able to take action to change things. Mrs B was also unhappy with administrative failings on the part of LIFT.

What happened

Our investigator set out a summary of the complaint in her recommendation – I've included an amended copy of this below.

In 2017 Mrs B started to receive advice from LIFT Financial. She held a number of investments one of which was a SIPP with Old Mutual Wealth. After several years of advice, she transferred this to an AJ Bell Platform and used Lift Financial Discretionary Fund Management service (DFM).

Each Financial quarter she received a valuation report along with annual reviews. The reports showed a positive growth percentage. However, in 2023 LIFT Financial changed the way its reports looked and now it included its past annual performance, rather than growth since inception. This gave a much lower rate of growth or now showed some loss. This meant the funds had performed worse than she had realised.

In addition to this Mrs B was sent significant personal information that was intended for a different consumer. She complained to LIFT Financial and it apologised for the administrative mistakes and offered to waive the notice period of charges. However, Mrs B was unhappy with this and referred a complaint to us.

Our investigator didn't uphold the complaint. She said the old reports may not have been as clear as the newer style. But the older reports that Mrs B said were misleading, made clear that the values shown and the growth rate was a comparison between the money paid in and the value now. And not an annual growth rate. The investigator also pointed to evidence that the adviser had discussed the performance of the portfolio with Mrs B. And that she'd also received fund fact sheets showing annual performance. The investigator felt there was enough information given to Mrs B to have been aware of the performance of the portfolio. And LIFT had met their obligations under the terms agreed by it and Mrs B.

The investigator agreed administrative errors had been made, such as another person's information being sent to Mrs B. And in some of the reports erroneous figures appearing, such as large withdrawal being attributed to Mrs B – but LIFT had waived fees of £800 each for Mr B and Mrs B. The investigator felt this covered any award we would have made for the trouble and upset these errors caused.

Mrs B didn't agree. In summary she said:

- During September 21-Sept 22 their pensions suffered large losses. But LIFT didn't highlight this, discuss it or take any alternative action. It was only when they received the new updated style of reports in 2023, that she could see the performance over the whole period in detail and realised they'd made significant losses at times. Before then she said the reports had consistently shown positive percentage figures.

- There were also losses between March 22 and March 23 but again they were given positive looking figures and these losses weren't discussed.
- Investment performance was never discussed at any of the annual reviews.
- Her new advisers' portfolios had performed much better than LIFT's.
- Errors in their reports caused significant stress, one showed Mrs B to have withdrawn £800,00 from her pension.
- LIFT erroneously sent them information regarding another person's portfolio
- The fees waived for the notice period, wasn't compensation as it had been confirmed to them by a senior partner at LIFT that they never charged those fees in any event.

LIFT also responded, it said:

- It provided a comprehensive service to Mr and Mrs B. The portfolios matched their risk profile, and they remained on track to achieve their goals, therefore it did not recommend altering the investment strategy.
- The pre-March 2023 valuations were not misleading. The 'Money In' column unambiguously showed the total amounts invested since inception, which aligns with the actual amounts invested by the clients. It cannot be held accountable that this data has been misinterpreted.
- The valuations explicitly showed the total monetary values invested since inception, not percentages or quarterly performance figures. The factsheets provided the actual percentage returns and yields over various time periods, which clearly illustrated any positive or negative performance.
- Meeting notes confirm that portfolio performance, and the service provided by the discretionary fund manager, was discussed regularly.
- It rejects claims that it always waives these fees, and this was done so as a gesture of goodwill in an attempt to resolve their concerns.

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.

Firstly I should set out that poor performance or perceived poor performance is not a reason to uphold a complaint. So whether the performance met benchmarks or was bettered by Mrs B's new financial adviser isn't something that is relevant to the outcome of this complaint. Funds can go up and down, LIFT made no guarantee about the performance it would offer. But I appreciate the key point Mrs B is making is that it didn't provide clear information about its performance. This is what I've looked into. To do so I've also had to consider what LIFT said it would provide for the fee's agreed.

The agreement between Mrs B and LIFT was that it would provide:

Review the Client's financial circumstances at every 12 months, LFL will contact the Client and the review will include:

- *'A face to face meeting/ A telephone meeting*
- *A full portfolio valuation*
- *A review of the ongoing suitability of existing policies and/or investments*
- *Recommendations of Investment changes*
- *ISA funding recommendations annually*
- *Benefit crystallisations recommendations*
- *LFL will provide with the Client with telephone and email support basis throughout the year.'*

The evidence suggests that LIFT did provide the services agreed to. Although part of Mrs B's complaint is it didn't react at times of poor performance which it could be argued comes under recommendations of investment changes – I'll come back to this point later.

Mrs B's main issue is that she says LIFT provided misleading figures because in the valuations it provided a headline figure (until more comprehensive figures were shown in 2023) – as shown below.

Executive Summary

SIPP

Account Reference	Money In	Money Out	Value	£ Growth	% Growth
[redacted]	£365,785.98	£0.00	£473,394.94	£107,608.96	29.42%

But I don't agree this figure is misleading. It is in my view clear that the comparison is the total money in versus its current value. Furthermore the report also included commentary about the market and the performance of the portfolio.

For example, the report that this figure was taken from was Mrs B's annual review in December 2022.

The commentary said '*Overall, the LIFT-Invest Moderate portfolio after discretionary management fees of 0.36% (0.30%+VAT) performed similarly to the Investment Association (IA) Mixed Investment 20-60% shares benchmark for the quarter, with the mandate returning -3.04% vs -3.06% achieved by this peer group on average.*

The most recent UK Consumer Price Inflation (CPIH) figure as published by the Office of National Statistics covers the 12-month period to November 2022.

CPIH over this period was 9.30%. The LIFT-Invest Moderate portfolio over this 12 month period after LIFT-Invest's discretionary management charges returned -11.08% in nominal terms, and on an inflation adjusted basis consequently returned -20.38%.'

A disclaimer was also provided:

Disclaimer

All values quoted are for illustrative purposes only and cannot be guaranteed as they may fluctuate on a daily basis in line with the markets to which they are linked.

Volatility, being the manner in which prices of investments fall and rise over time, is a natural consequence of investing money. Your portfolio will expose you to some short-term volatility and you should be prepared for the value to fluctuate over time. It is a fact that you will only ever lose money on any investment if you sell it at a time of market weakness – volatility itself does not mean you have "lost" anything, until such time as the investment is eventually sold.

All the information read together, I don't think can be seen to be given a misleading position of the investments. I appreciate the commentary does require a level of understanding to fully grasp but the figures aren't overly difficult to understand that losses were made. If Mrs B didn't understand anything, she could've contacted the adviser.

I appreciate Mrs B disputes the headline figure above, she says it is missing a transfer in value from 2022, meaning in fact there were losses. However, the report does show what contributions the valuation was based on – and that particular transfer value isn't present. So I don't agree that there were losses in total at that time. And secondly it doesn't change the fact that additional commentary about the portfolio's performance was provided. So the headline figure provided wasn't in my view misleading – I don't think it could be seen to be an annual growth figure. It showed the figures it was based on and any confusion could've been brought up then by Mrs B. Furthermore as shown below the report said:

'Each quarter we will share the valuations with you via the LIFT client portal, along with the latest factsheet for the portfolio you are invested in. The factsheets provide information on the performance of the portfolios.

You can also log in to the client portal at any time to see the latest value of the accounts and investments you hold.

Included in this document you will find:

• General commentary on current market and economic conditions

• A summary of the changes made to your portfolio over the last quarter

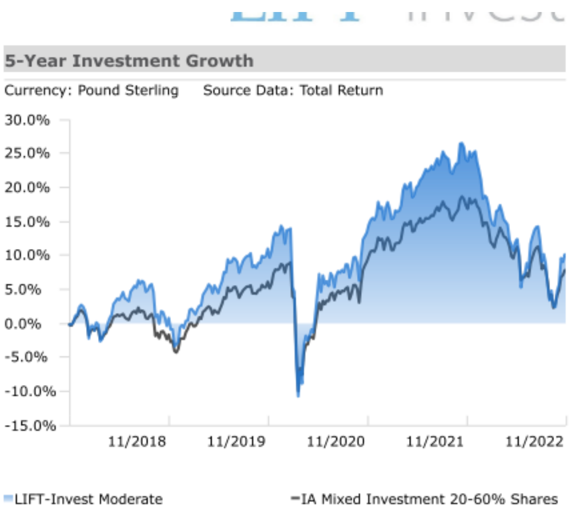
• Details of the investments and any withdrawals made in your discretionary accounts on AJ Bell Investcentre since inception

• Cash and stock transactions for the reporting period.

*…**The growth figures quoted in the Executive Summary on page 4 are from when the account was established (my emphasis).** If you have any questions about the information in this valuation, please contact a member of your advice team.'*

Even without this clarification I think it was clear what the headline figure was referring to but with the clarification bolded above, it cannot be said this figure was in any way misleading.

Alongside this information Mrs B also had access to factsheets setting out the performance of the portfolio. The November 2022 factsheet set out a number of performance figures and a graph. The graph showed for example:



And some of the data:

Discrete Annual Total Returns (%) to Latest Quarter End

	01/10/2021 - 30/09/2022	01/10/2020 - 30/09/2021	01/10/2019 - 30/09/2020	01/10/2018 - 30/09/2019	01/10/2017 - 30/09/2018
LIFT-Invest Moderate	-16.19	14.26	-1.95	4.11	8.28
IA Mixed Investment 20-60% Shares	-10.69	11.25	-1.23	4.13	2.64

So I think Mrs B was given enough information to understand the performance of her portfolio. I don't agree that the figures given were misleading and everything was presented as positive. I've only commented on the figures from around the end of 2022 to illustrate this but the same documents were available throughout her time with LIFT. I note Mrs B says she only had access to the factsheets from approximately October 2022 but the commentary as above was present on the valuations. And I don't agree that the headline figure was misleading.

Furthermore, LIFT has provided us with data showing when Mrs B had access to the portal and some of her login times. I've also seen what the Portal looked like in terms of access to documents etc. This evidence shows that Mrs B first logged in, in March 2019, and also logged in 2020 and 2021. So I think Mrs B had access to performance data which set out commentary on the performance of the Portfolio and the longer term illustrations of performance as shown above.

I can see that in the annual review in February 2023 – the performance of the pension was discussed as Mrs B was unhappy with it. And meeting notes from February 2020 also show a discussion about the performance. The reviews covered a number of different investments and the notes are just a summary of what was discussed but had Mrs B wanted to discuss the performance as I can see she did on occasion, it was discussed. I can see that the adviser told Mrs B the investment should be seen over a longer period and I don't think it necessarily would've been the right thing to try to react when the fund had downward fluctuations. The adviser would have also known that Mrs B had access to the performance data included on the client portal as set out above. Mrs B was invested in line with her attitude to risk and it was recorded her investments were on track in the annual reviews.

I appreciate Mrs B thinks the adviser should've been more re-active to the market and suggested other investments but reacting to the market doesn't necessarily bring good results and I don't think it was unfair or unreasonable to remain within the portfolio. There's nothing to suggest it was unsuitable for her and whilst her new portfolio may be outperforming LIFT, picking high performing investments isn't by any means an exact science and the performance of any portfolio can fluctuate. And in any event her portfolio was actively managed by the DFM who will have been reacting to the market in the attempt to get the best performance possible.

LIFT did make some errors in that they sent Mrs B information for the wrong client, this was human error. But it did take steps to put this right and asked Mrs B to delete that information which Mrs B confirmed she did according to LIFT. Whilst I appreciate this isn't a nice thing to have happened and may have caused Mr and Mrs B to lose some confidence in LIFT, errors do happen and it took the correct steps to put things right.

I also note there have been errors in the reports sent to Mr and Mrs B and this was discussed with LIFT in the call about their complaint. It had said there were issues with the platform provider's information and it accepted there had been some administrative errors in its reports but its offer to waive its fees for the three month notice period of £1,625 across Mr and Mrs B's portfolios was in recognition of this.

I appreciate Mrs B says she was extremely worried by the appearance of a withdrawal of £800,000 on one of her valuations and that it was clearly someone else's figures. But looking at it, this was in the breakdown of the account holdings and not the headline figure – the overall value stayed the same but the report erroneously showed a huge increase in contributions and the large withdrawal – but the end result was the same value as Mrs B's portfolio and as shown elsewhere on the valuation. So I don't think it likely was someone else's figures and more likely a glitch in the reporting – I appreciate this must have been somewhat alarming but Mrs B would've known she hadn't contributed at that level and the overall fund value remained the same despite the withdrawal. So I think its reasonable to say she would've likely known it was an error and very unlikely a withdrawal had been made.

Mrs B says that LIFT wouldn't have charged the notice period fees anyway but LIFT disputes this. Regardless, it is waiving a charge it would be entitled to under the terms agreed and therefore I've taken this into account when considering whether any additional award should be made for any trouble and upset caused due to the administrative errors. And having considered our awards and the circumstances apparent here, I think the waiving of three months fees is worth more than any award we would've recommended had there not been an offer. I appreciate Mrs B found there to be inaccuracies in data but from what I've seen once this was raised with LIFT it looked into this and provided explanations. Awards of £800+ for trouble and upset are for incidences more significant than what Mrs B has set out and so I don't think any further compensation is due.

My final decision

For the reasons explained above, I do not uphold this complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 May 2025.

Simon Hollingshead
Ombudsman