DRN-5131188

## The complaint

Mr M complains about the service he's received from Raymond James Wealth Management Limited trading as Charles Stanley (CS).

## What happened

The history leading up to this complaint is well known to the parties and therefore I have only summarised events below.

Mr M had holdings in an Individual Savings Account (ISA) and a self-invested personal pension (SIPP). These were transferred to the CS Oxford branch in late 2014 where discretionary investment management (DIM) services were provided. In June 2018, Mr M's servicing was transferred to the CS Exeter branch.

Under the DIM arrangement, having agreed Mr M's investment policy and approach to risk, CS were given authority to carry out investment management and administration on his behalf. In 2020, Mr M also began receiving financial planning services to provide advice from the perspective of his overall financial circumstances, something the DIM was not permitted to do. This combined service was referred to as a wealth management service.

Mr M raised concerns about the service he'd been receiving and the performance of his portfolio in December 2022. CS responded to these concerns in January 2023.

In early February 2023 the DIM services were removed, and his ISA and SIPP were moved to an execution only service. The financial planning service was also stopped soon after.

Mr M raised a formal complaint with CS on 23 April 2023, which included by reference the concerns he raised in December 2022.

CS responded in July 2023 explaining that they had looked into Mr M's concerns but didn't think there had been any errors.

Dissatisfied with this response, Mr M brought his complaint to this service for an independent assessment. He set out his concerns as follows:

- Sale of two stocks (referred to here as R and T) were to be managed out and he was to be consulted on sales at a loss – this took time to sort. CS was obligated to keep this under review, and he doesn't think that this was done

- Mr M wished to avoid conglomerates with separate charging structures but says CS Exeter increasingly relied on them notwithstanding very poor returns and contrary to his instructions.

- The ISA could not justify the third-party charges and on a £200k ISA he ended up with 55 holdings, many of which were duplicates. Wanted separate holdings in his SIPP and ISA since paying separate management fees, this was not carried out. Each had identical risk and duplicate holdings.

- SIPP fees were deducted from the ISA without authority and CS refused to review this over a protracted period.

- Portfolio returns were consistently behind the average. Stock picker wasn't in control, was a relationship manager, not a stock picker. Fragmented system caused service failings, the T and R stocks were misbranded as cherished holdings and another stock, referred to here as F, was sold when it shouldn't have been.

- CS suggested on 8 January 2023 that the reason for his portfolio failing to meet average returns were Mr M's restrictions to trading, which Mr M doubts and feels even if true, ought to have been raised sooner.

- He was forced to adopt their in-house wealth manager on 20 June 2020. This service was sporadic, the wealth manager failed to undertake tasks, failed to set targets, or challenge the lack of performance.

- CS and the wealth manager never reviewed the charges against the retainer.

- CS terminated the retainer on 11 January 2023 without notice notwithstanding Mr M had made no decision and wished to use the dealing inclusive terms to exit the portfolio when the time was right for him.

- There are now problems because Mr M needs to drawdown on the ISA whereas cash is predominantly in the SIPP and withdrawals from his SIPP require independent advice.

Mr M said to put things right he wants a refund of charges for investment and wealth management fees and contribution to the cost of a manager to review and implement removal of duplication and conglomerates, which he says is likely to be in the tune of 1.5% plus the dealing charges.

One of our investigators reviewed what happened and concluded that CS hadn't acted unfairly or unreasonably and so he didn't think the complaint should be upheld.

Mr M didn't agree, so the complaint has been passed to me for a final 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 done so, I have reached the same conclusions as the investigator and for the same reasons.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the industry regulator, the Financial Conduct Authority (FCA). Instead, this service looks to resolve individual complaints between a consumer and a business. It is my role to fairly and reasonably decide if the business has done anything wrong in respect of the individual circumstances of the complaint made and – if I find that the business has done something wrong – award compensation for any material loss or distress and inconvenience suffered by the complainant as a result of this.

When considering what is fair and reasonable, I have taken into account relevant law and regulations; regulator's rules, guidance and codes of practice; and what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

The parties to this complaint have provided detailed submissions to support their position and I am grateful to them for doing so. I have considered these submissions in their entirety. However, I trust that they will not take the fact that my decision focuses on what I consider to be the central issues as a discourtesy. The purpose of this decision is not to address every point raised in detail, but to set out my findings and reasons for reaching them.

I'm sorry to hear that Mr M is dissatisfied with the services he's received from CS. But having carefully reviewed everything that's been provided, I don't think CS has treated him unfairly or acted unreasonably, so I can't uphold his complaint. I will address the various complaint points in turn below.

Investment Management

In this section I will address Mr M's complaint points that relate to the investment management service including assertions that CS failed to follow various instructions provided by Mr M.

- *Concern: Portfolio returns were consistently behind the average. Stock picker wasn't in control, was a relationship manager, not a stock picker. Fragmented system caused service failings – the T and R stocks were misbranded as cherished holdings and another stock (F) was sold when it shouldn't have been.*

- *Concern: Sale of R and T were to be managed out and he was to be consulted on sales at a loss – this took time to sort. CS was obligated to keep under review, and he doesn't think that this was done*

A theme throughout Mr M's complaint is that he was not receiving the personalised service he believes he'd been promised by CS. He said he felt that CS were using a model portfolio, that people other than his stock picker (the name he uses for investment manager) were managing his investments and as a result, mistakes were made and the performance of his plans suffered.

I've considered the overall service Mr M's portfolio received under the DIM agreement with CS as well as the above specific instances where Mr M asserts CS made mistakes that impacted the performance of his portfolio.

As explained by the investigator, our approach to DIM appropriateness is to determine whether the business invested the funds under their management in line with the mandate set out by the consumer. And whether the investments selected were suitable for the consumer's circumstances, including objectives and attitude to risk. While also bearing in mind whether the DIM reacted to developments in the market in a reasonable manner and if they communicated relevant information clearly.

I've carefully reviewed the correspondence provided by the parties relating to the investment management service. Having done so I'm persuaded that CS provided the service agreed upon. I've seen evidence that as part of his transition to CS Exeter, an introductory meeting with the investment managers there was held. Following this a welcome letter was issued to

Mr M which included summaries of service benefits and charges. This also said that Mr M will receive quarterly investment reports, a six-monthly review of key drivers of performance with market views, an annual meeting to discuss suitability and any ad hoc meetings required. It was also agreed that they would meet quarterly to begin with to build up a relationship. This was in addition to their miscellaneous updates like contact notes and regulatory messages.

The letter also confirmed Mr M's attitude to risk as medium-high, he had a balanced investment objective (a combination of capital growth and income), his investment time horizon was over 10 years and his capacity for loss for both his capital and income was 33%.

The evidence provided demonstrates Mr M had access to two investment managers who were in contact with him on an ad hoc basis to respond to his queries, in addition to the regular six-monthly asset allocation reviews, quarterly allocation drift reviews, quarterly performance reviews and tax year end reviews. I've seen nothing to suggest that CS failed to provide these reviews or otherwise didn't provide the investment management service Mr M agreed to. Furthermore, I've seen no evidence that CS investment managers relied on model portfolios. That the investment managers made use of the CS research team and an experienced portfolio management team as part of the management of Mr M's portfolios is not unusual nor does it mean that a fragmented system was being used or the DIM mandate wasn't being properly adhered to. From everything provided, Mr M's portfolio was suitable for his circumstances and objectives.

When Mr M's original CS investment manager retired, Mr M moved his servicing to CS Exeter in June 2018. Mr M said he thought this would be a smooth takeover, but doesn't feel that this happened, and mistakes were made. Specifically, Mr M is concerned about how certain holdings were managed by CS. I've carefully considered everything that Mr M's said and I understand his strength of feeling on the matter, but I've not seen sufficient evidence that there were any service failings here.

Although an ongoing service was being provided when Mr M transferred the servicing of his plans from CS Oxford to CS Exeter, it is reasonable to expect, as happened here, the new investment managers to confirm Mr M's objectives, risk profile and any trade mandates or restrictions by undertaking their own questioning of Mr M to make sure they fully understood Mr M's position and requirements. So, I don't consider this evidence of problems with the transition.

Furthermore, the welcome letter also stated:

> *When we met, you mentioned that you weren't particularly attached to any holdings, and we shouldn't feel restricted in making changes to the account. However, I note from reading through the documents on file that you had recorded a wish to retain your holdings of [an investment referred to here as G] and be consulted before any disposal of [T] and [R]. Please can you confirm if this is still the case?*

Mr M didn't respond, so CS emailed Mr M again on 10 July 2018 to clarify his stance on these holdings. This email said:

> *In our attached welcome letter, we mentioned the disparity in our records regarding the holdings of [G], [T], and [R]. As when you met [investment manager] most recently, you were clear that you weren't particularly attached to any holdings and we shouldn't feel restricted in making changes to the account, we are assuming this supersedes your previous comments and I will be removing these restrictions and will no longer regard these holdings as cherished.*

Mr M responded the next day:

> *Can you keep them highlighted and if you want to sell out contact me first. I wanted to manage the losses on [T] and [R] and believe it or not most of my wealth generates from [G], so there is a bit of sentimental attachment there, but I am not fixed.*

This welcome letter and related correspondence above set out the mandate CS understood would control their management of Mr M's portfolio. Mr M contends that as part of this mandate CS should have been looking to actively manage out his holdings in T and R, but I don't agree that this was clearly communicated to CS and it was not set out as part of the mandate explained in CS's welcome letter. I've seen no evidence that Mr M provided any further instructions or clarifications at that time. And from everything I've been provided, I am satisfied CS adhered to this mandate throughout.

When Mr M's portfolio was transferred to CS in 2015, it already contained the investments in T. Mr M said the initial brief was to hold the losing stocks until they came into profit and in any event review them all in 12 months. CS Oxford said this stock was discussed in March 2017 and Mr M didn't want it sold until in profit. CS Oxford explained to Mr M in February 2018 that when the stocks in T were transferred, they were already valued below the purchase price. And at no point since CS took over management of his investments had these stocks approached the original book cost.

In September 2018 Mr M instructed CS to consult him before any trades were undertaken that crystallised a loss. I've been provided no evidence that this instruction was not adhered to.

Documents from 2019 indicate that the mandate remained in place and that T, R and G were to be treated as cherished holdings and agreement from Mr M was needed before these holdings were sold.

I've not seen any evidence that CS were instructed to actively manage out the R and T investments until August 2020 when the previous instruction was removed. This was set out in an email to Mr M following a meeting with his investment manager:

> *As promised, this is to confirm that I have placed the following notes on your account which we will bear in mind on all transactions in the future. If you feel I have mis-represented your intentions with these, please let me know.*
>
> 1. *[G] is a cherished holding and should not be reduced without [Mr M]'s prior authority.*
> 2. *[R] & [T] - we should look to manage these out of the portfolio. In the event the recommended sale takes a loss (likely) then we should contact [Mr M] first to confirm his agreement to the sale.*
> 3. *Financial sectors – restricted, do not buy assets in the financial sector.*
>
> *We do not regard there as being any further restrictions or preferences that you are placing on us, and beyond these points we will use our professional judgment and expertise to seek out opportunities which meet your agreed risk and objective.*

Following this, conversations took place in August and September 2020 about reducing Mr M's T holding. Mr M was not keen to lock in a loss but ultimately a limit to sell was agreed and a sale was executed when this price was reached and agreed by Mr M in November

2020. So based on the information I've been provided, I'm unable to conclude CS didn't follow Mr M's instruction regarding T.

At this time, CS Exeter also first learned to avoid assets in the financial sector. Although I have seen correspondence between Mr M and his CS Oxford investment manager regarding avoiding investing in the financial sector, like banks, I've seen no evidence that Mr M provided this as a continuing instruction to CS Exeter at the outset.

It also doesn't appear that Mr M made CS Oxford aware of his restriction on investing in banks until February 2018. And at that time, his portfolio already held financial sector investments. When the servicing transferred to CS Exeter later that year Mr M then only made CS Exeter aware he was concerned with was R and made no mention of the financial services or banking sector. Therefore, I'm unable to agree that CS didn't adhere to his instructions regarding investments in the financial sector as CS Exeter wasn't aware of this until August 2020.

And by December 2020, R remained the only banking stock in Mr M's portfolio. At that time, it was sitting on a considerable loss, and CS and Mr M agreed to manage it out of the portfolio, but "hold on for some recovery" "having taken so much pain on the stock thus far."

Therefore, after reviewing the extensive correspondence between CS and Mr M, I haven't found any instances in which CS failed to clearly set out what they understood the mandate for Mr M's investments to be and act accordingly. For example, early in his relationship with CS Mr M sought to have his holdings in F reduced. From everything I've been provided, I'm persuaded that CS endeavoured to do this over time in a way that most benefitted Mr M. Mr M says F was sold when it shouldn't have, but I've simply not seen sufficient evidence that this was the case.

Throughout the provision of the investment management services, from everything I've been provided, CS appear to have been actively engaged with Mr M and the management of his portfolio. CS responded promptly and clearly to Mr M's queries, his holdings were regularly reviewed; and CS provided Mr M with a detailed rationale for their trades. As explained, I've not seen sufficient evidence that CS didn't adhere to the mandate or Mr M's instructions in general and specifically those related to T, R and F.

- *Concern: Wished to avoid conglomerates with separate charging structures but says CS Exeter increasingly relied on them notwithstanding very poor returns and contrary to his instructions.*

Mr M contends that he made it clear to CS that he wished to avoid investing in conglomerates and was specifically told to avoid them by his original CS Oxford investment manager. I've reviewed all of the correspondence between the parties and like the investigator, from the evidence provided, the first time that Mr M made CS aware of his concerns around conglomerate holdings was in August 2020.

Following this CS emailed Mr M on 24 August 2020 with a list of recommendations of what to change with his investments. This explained the rationale for every recommendation and adhered to the then mandate. Mr M suggested he instructed CS on numerous occasions in 2021 and 2022 to avoid conglomerates. But I can see in September 2021 the reasons why in certain cases investing in conglomerates may be desirable was explained, though it was agreed with Mr M's CS financial planner that direct investments would be held **where possible**. I've seen no evidence that Mr M directed otherwise a

After this point, I've not seen any instance in which CS acted against Mr M's instruction in this regard. Mr M's portfolio already held investments in conglomerates and while these

investments were retained after he raised concerns about them, I don't consider this to be unreasonable as it was a means of limiting losses. And CS explained their rationale and recommended course of action seeking Mr M's authorisation first. Therefore, I'm not persuaded that CS didn't adhere to Mr M's instructions regarding investing in conglomerates.

- *Concern: The ISA could not justify the third party charges and on a £200k ISA Mr M ended up with 55 holdings, many of which were duplicates. He wanted separate holdings in SIPP and ISA since he was paying separate management fees, this was not carried out. Each had identical risk and duplicate holdings.*

Mr M complains that CS did not follow his instructions to avoid duplicate holdings in his ISA and SIPP. However, I've not seen sufficient evidence that the mandate CS were operating under to manage Mr M's SIPP and ISA included this instruction. The evidence I've been provided demonstrates that Mr M first queried the duplications on 19 November 2020 in an email to CS stating:

> *We are where we are on the sales, but overall I do have concerns on the general performance of my sipp [sic] and isa [sic] have duplicate stocks and why the relative performance of both has been so different.*

CS responded to this suggesting that the ISA and SIPP be grouped together for investment management purposes, as this would allow the duplication of investments to be reduced. However, Mr M did not take up this option. Although Mr M enquired about this issue after this, I don't consider this amounted to a change in the investment mandate, though CS did aim to adapt their investment management approach to address his concerns. They also offered to combine his holdings for investment management purposes again in December 2022 and once again Mr M declined this suggestion. And I note Mr M moved to an execution only service in February 2023.

As his investment manager, CS were required to follow Mr M's instructions and investment mandate in exercising their authority to make investment decisions in line with his circumstances and objectives. Mr M had an identical attitude to risk, investment strategy and mandate in place for both his SIPP and ISA – he had a medium-high attitude to risk, sought a combination of capital growth and income with an investment time horizon of over 10 years and a capacity for loss of 33% for both his capital and income. Given this, like the investigator, I don't consider it unusual that there was duplication in some of the holdings. I appreciate that Mr M feels CS could have picked different investments for his separate portfolios, but whether or not CS could have picked better investments does not mean the investments chosen were wrong. As long as the holdings themselves were suitable for Mr M – which I consider they were – and not in contravention of the investment mandate – which I consider they weren't – then I am satisfied that CS have not acted unfairly here.

As noted by the investigator, it is important to bear in mind that hindsight cannot be applied when looking at the investment decisions made by CS, I have to consider what was known at the time. Furthermore, the very nature of market investments mean that performance is not guaranteed; investments can rise and fall. I consider CS made this clear to Mr M and I've seen nothing to suggest CS ever stated otherwise.

I would also note that the evidence shows that while Mr M feels the investment returns weren't to the level he had expected, a letter provided to Mr M in March 2022 shows that the overall performance of Mr M's portfolio (ISA and SIPP) has been positive and generally in line with the average returns of six similar benchmarks and indexes across the UK market, over one, three and five years. This is even though the markets have experienced significant turmoil during the relevant period, including the COVID pandemic and the war in Ukraine.

Furthermore, regarding the third-party charges, all of the applicable charges, including third party charges, were enclosed with the June 2018 welcome letter. And every quarterly statement and report provided to Mr M included charges information. Annual cost disclosure statements were also sent each year which itemised and totalled each charge, including third party costs. These statements also said:

> *What are 'third party investment product costs'?*
>
> *Where appropriate, your Investment manager may have invested in investment products managed by external companies to provide additional diversification with your portfolio. The cost of these products are not charged or received by Charles Stanley but are included in the disclosure to give you complete view of all your investment charges.*

I consider that CS made clear that third party costs might be incurred and I've seen no evidence that Mr M instructed CS to avoid investments with these costs. And since these third-party costs are built into the pricing of the relevant investments, which I've considered suitable, I'm unable to agree that CS were unfair or unreasonable here.

Therefore, I am unable to agree that CS didn't follow Mr M's instructions or caused his portfolio to perform poorly.

- *Concern: CS suggested on 8 January 2023 that the reason for his portfolio failing to meet average returns were Mr M's restrictions to trading, which Mr M doubts and feels even if true, ought to have been raised sooner.*

Mr M is unhappy with the performance of his portfolio and feels that CS have blamed his restrictions to trading for the performance failings. He doesn't believe this to be true but if so, thinks this should have been raised with him sooner.

I've reviewed all the correspondence, statements, annual reviews and other documents related to the investment management services provided by CS. Having done so, I am satisfied that his portfolio matched his attitude to risk, the investment strategy was appropriate for his objectives and in accordance with Mr M's instructions. I appreciate that Mr M is unhappy with the overall performance of his portfolio, but as I've explained above, I've seen nothing to suggest that CS are at fault.

Furthermore, the evidence I've been provided demonstrates CS discussed Mr M's restrictions with him on numerous occasions and explained in December 2020 that the underperformance can be attributed to different things:

> *Some of this relates to some of the historic cherished holdings, which we have discussed before as you mention, and some to certain lacklustre performers of our selection.*

I'm satisfied CS made Mr M aware of the impact of all his holdings throughout their relationship. It was clear that Mr M understood that some of his holdings were being kept even though at a loss intentionally, at his request, since he wanted to minimise his overall losses on certain investments. Therefore, I'm unable to agree that CS didn't anything wrong with respect to how they treated Mr M's restrictions to trading and the information he was provided about their impact.

Charges and Fees

- *Concern: SIPP fees were deducted from the ISA without authority and CS refused to*

*review this over a protracted period.*

Mr M is concerned that SIPP charges were incorrectly levied against his ISA, however, I've not seen evidence that persuades me this was the case. As CS explained to Mr M in November 2023, the investment management fees were properly split between the ISA and the SIPP on a pro rata basis. I've seen nothing to suggest that any SIPP management fees were paid from Mr M's ISA.

However, when Mr M became an execution only client in early 2023 a custody fee became due for both the SIPP and the ISA. CS explained that initially the custody fees for both were debited from his ISA. It said this was because of his preference to retain the SIPP for IHT planning purposes. CS also explained that initially the custody fee was applied to just the ISA because the charge was based on the value of the investment, and given the ISA was of a significantly lower value, it was advantageous to Mr M to apply it this way.

Nevertheless, when Mr M expressed concerns about the two charges which were applied in March and September 2023 to his ISA, CS promptly reversed both charges and then re-posted them pro-rata to his SIPP and ISA, with no detriment to Mr M.

I also understand that Mr M is generally distrustful of CS regarding the charges because after he raised this complaint to CS in responding to his enquiries, Mr M's investment manager discovered that one of the fees charged by CS financial planning in December 2020 had been incorrectly calculated. As this issue was not part of the original complaint, I cannot comment on it here, but I would note that CS said it recalculated the overpaid fee and added to this the growth in the portfolio from when the incorrect fee was applied to the date the portfolio was changed to execution only. CS also offered Mr M £100 compensation for the distress the matter caused him. I understand that Mr M has not accepted this compensation to date, but it may still be available if Mr M has changed his mind. He should contact CS directly about this compensation.

From the evidence I've been provided, I am satisfied CS have taken the necessary steps to correct its error regarding the custody fees once the issue was identified. And I haven't seen evidence that any further charges have been taken incorrectly.

Financial Planning Service

- *Concern: Mr M was forced to adopt their in-house wealth manager on 20 June 2020. This service was sporadic, the wealth manager failed to undertake the tasks, failed to set targets, or challenge the lack of performance.*
- *Concern: CS and the wealth manager never reviewed the charges against the retainer*

Mr M is unhappy with the wealth management service he received from CS. Mr M says he was clear with CS about his requirements for a wealth manager and that he did not require advice on his needs and contends he was pursuing independent financial planning until CS forced him to use its in-house financial planner.

I've seen evidence that Mr M asked CS for a recommendation for a financial planner in September 2018. This was to review his future financial planning needs, his pensions and a trust. CS provided Mr M with a few options, including internal and external financial advisers.

Mr M had an initial meeting with a CS financial planner in August 2019 to discuss reclaiming lifetime allowance protection Mr M had breached. Mr M made no decisions at this time and over the following months CS had further discussions with Mr M and put a new proposal to him about the services that were available.

Ultimately, Mr M had a meeting with his investment manager and the CS financial planner in August 2020. Following this meeting, I can see Mr M agreed to engage the services of the financial planner. When combined with the investment management service, this was referred to as a wealth management service.

Having reviewed the evidence available at this time, I'm not persuaded that Mr M didn't freely chose to take up the wealth management service offered by CS.

The financial planner works in combination with the investment manager, but it is a separate and distinct role from investment management. The financial planner set out his role in an email chain in June 2020. This included: liaising with provider and investment manager, ad hoc support and advice, ongoing financial planning on Mr M's entire financial circumstances, valuation/review pack each year, regular meetings each year or more often if needed, review of existing investment manager including performance, strategy and suitability.

The financial planner provided Mr M with a detailed discussion document on 10 November 2020 which set out Mr M's pension and income options and included a cash flow analysis report. The financial planner suggested a call to talk over the details. Mr M agreed to proceed with this advice on 18 February 2021. I understand there is a dispute over what happened with the trust deed document following this advice. Mr M believes that the financial planner lost the document, but CS contend that this was never received and another blank deed was provided for Mr M to complete. I do not know which version of events is correct, but I've seen no evidence which suggests Mr M was harmed by what at most would have been a clerical error. Therefore, I can't agree that this means Mr M was receiving a poor service.

Furthermore, Mr M had an annual review meeting in September 2021. At this time Mr M's risk profile was confirmed as still suitable. But as Mr M remained unhappy with the performance of his portfolio, the financial planner followed up in December 2021 and set out potential alternative options for Mr M to consider. I am satisfied in the circumstances that this recommendation took into account Mr M's current holdings, including the retainer and charges that applied as part of this annual review.

I've seen no evidence that Mr M responded to this. But he later indicated that he was planning to move away from CS.

Mr M then declined the annual review offered to him in September 2022. However, his financial planner wrote to him in December 2022 offering to help him find alternative solutions for how his portfolio could be managed, as Mr M had expressed that he felt trapped in the discretionary fund management. I haven't seen any evidence that Mr M took up this offer and Mr M declined another annual review in 2023. Soon after Mr M moved to an execution only service.

In addition to the annual reviews, I have seen evidence that the financial planner regularly engaged in ad hoc communications with Mr M, answering queries promptly and regularly discussing cashflow and IHT planning. The financial planner also helped Mr M to arrange a guaranteed rate annuity. Mr M was included in most correspondence between his financial planner and the investment manager so if he felt that the financial planner should be doing something differently, he could have let him know, but I've seen no evidence of Mr M doing so.

Having reviewed everything I've been provided, I am not persuaded that the financial planner gave unsuitable advice or failed to provide the agreed service or respond to Mr M's queries and offer suggestions to address Mr M's concerns. Therefore, I am satisfied that CS

has not been unfair or unreasonable regarding the financial planning services provided to Mr M.

Termination of Service

- *Concern: CS terminated retainer on 11 January 2023 without notice notwithstanding he made no decision and wished to use the dealing inclusive terms to exist the portfolio when the time was right for him.*

Mr M asserts that CS terminated the DIM retainer without his consent or notice in contravention of the terms of his contract with them. However, I've seen no evidence that CS terminated the retainer on 11 January 2023 as Mr M suggests. Rather, I've seen communication from Mr M to CS dated 6 February 2023 stating in relevant part:

> *I wish to terminate the retainer and any further liability for ongoing fees. In order to do so, please confirm that no fees will be charged whilst the trusteeship is changed.*
>
> *…*
>
> *Please would you now set out the mechanics of the change from your end and confirm your offices will provide the necessary paperwork.*

CS responded on 9 February 2023 stating insofar as is relevant:

> *I confirm that I am moving the portfolios onto our Execution Only with effect from the date of your email below (6th Feb) and pro-rata investment management fees will be debited accordingly.*
>
> *…*
>
> *I would mention that this change impacts the investment management service for the accounts, and doesn't affect [the financial planning role] which continues as previously.*

In response to the investigator's view, Mr M maintained that he did not terminate the retainer, instead he was simply seeking confirmation that no fees would be charged whilst the trusteeship changed. And this was not provided, therefore the retainer shouldn't have been terminated.

Under the contractual Services and Business Terms, which would have been provided to Mr M when he joined CS and which he has referred to in his complaint, the Standard Terms of Business Section 1.2.3 Termination sets out:

> *(i) You may ask at any time to stop being a client by giving us written notice, and this will take effect as soon as we receive the notice.*

So while Mr M may have not intended to terminate the contract, given the language of his email - "I wish to terminate the retainer and any further liability for ongoing fees." I don't think it was unreasonable for CS to take this to be an instruction to terminate the retainer with immediate effect. And I've seen no follow up correspondence from Mr M clarifying his intention, which I would expect to see if an immediate termination wasn't what he wanted.

I also note that Mr M subsequently messaged his financial planner on 13 February 2023 to say:

*[Investment manager] has terminated the Exeter mandate and as such I believe you to be conflicted out from further dealing. I must therefore terminate your instructions and retainer as well please.*

The financial planner responded the next day confirming that the financial planning service had been removed from Mr M's account.

Mr M went on to remove the financial planning service (after it was confirmed to him by CS that cancelling the DIM retainer didn't impact this service) and I've been provided no contemporaneous evidence that Mr M sought to clarify his intentions regarding the retainer cancellation. Given this and the plain language of the termination instruction Mr M used, I'm unable to conclude that CS acted unreasonably in terminating the DIM contract effective from 6 February 2023.

Income requirements

- *Concern: There are now problems because needs to drawdown on the ISA whereas cash is predominantly in the SIPP – not allowed to withdraw without independent advice*

Mr M has raised concerns over there being insufficient cash holdings in the ISA to supplement his requirement for £30,000 income per annum from non-pension sources. However, from the evidence provided, Mr M's ISA has sufficient holdings to meet his income requirements. I understand that the cash portion of his ISA may be less than is required, but the funds don't need to be in cash, investments can be sold as needed.

Mr M wanted to postpone accessing his SIPP and use it as an inheritance tax savings vehicle. Therefore, to offset the depletion of the ISA funds over time due to the regular withdrawals, the bulk of his ISA was invested, allowing for potential growth. This approach is in line with Mr M's balanced investment objective of a combination of capital growth and income.

Mr M's comments about making withdrawals from his SIPP were not included in his original complaint, therefore I cannot comment on it. However, I would note Mr M declined the financial planner's offer to review his circumstances to see if his current arrangements were still appropriate in 2022 and 2023 and did not respond to the recommendations made in 2021. Since moving to an execution only service, Mr M is free to make changes to his holdings within his SIPP if he is dissatisfied with the asset allocation.

Conclusion

In conclusion, overall, I am not persuaded that CS made any errors with the investment management or financial planning services provided to Mr M or that it caused Mr M any loss. I know this with be a disappointment for Mr M as I can see that he feels very strongly that he has been let down, but I am satisfied that CS have acted fairly and reasonably taking into account all of the circumstances of this complaint. So, for all these reasons, I'm not upholding Mr M's complaint.

## My final decision

For the reasons explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 February 2026.

Jennifer Wood
**Ombudsman**