

The complaint

Mr D complains about the level of service he's received from Scottish Widows Schroder Personal Wealth Limited ('SPW') and the fees he's paid for it.

What happened

Mr D was migrated to SPW in March 2020 from his previous provider, following a joint venture between the firms involved. Since SPW took over his portfolio, he's found himself dissatisfied with several aspects of the service it has provided him, leading him to complain to SPW. In summary his complaint was that:

- The migration to SPW was forced on him without his authority.
- The changes and services being provided to him from it weren't explained.
- The standard of service had fallen significantly since the migration to SPW.
- He hasn't received any further advice and his portfolio has remained the same despite paying for SPW's ongoing advice service.
- He had two advisers allocated to him, both of which he says he hasn't met face to face.
- Online meetings were arranged but failed due to difficulties he now has with his health.
- He's paid monthly for a service but doesn't know what he is receiving for that.
- SPW nearly caused him to miss an ISA top-up.
- SPW poorly managed his portfolio causing it to perform below his expectations.

SPW issued two final responses to Mr D responding to his concerns. Across those it said:

- It held a review with him in May 2020 explaining the migration and its recommendations.
- The fees Mr D was paying for were for the management of his investments, the online platform his investments are held on and a fee for its ongoing advice service.
- The ongoing advice service it provided Mr D included an annual review of his investments, and that these had taken place each year.
- Despite challenges in the markets Mr D's portfolio had grown over the years.
- It had otherwise fairly handled issues relating to his complaint and the general service it had provided him with.

Unhappy with SPW's response, Mr D referred his complaint to our service. One of our Investigator's looked into his complaint but didn't think it should be upheld. In summary she said:

- The costs and services provided by SPW were likely discussed, with literature also being provided.
- A meeting took place with Mr D to discuss the migration to SPW as well as reviewing his circumstances and investments.
- SPW was aware of and understood Mr D's health issues, which were discussed and updated during meetings. She was satisfied SPW took reasonable account of his health in his dealings with it.

- It wasn't unreasonable SPW wouldn't meet with Mr D during the pandemic.
- Reviews were carried out each year by phone and recordings of those calls demonstrated a sufficient review had been carried out.
- Mr D had agreed to the fees he was charged and they were fairly applied.
- SPW had fairly managed Mr D's portfolio in line with his risk tolerance, with market events outside of SPW's control contributing to the overall performance of his investments.

In response to our Investigator Mr D, in addition to repeating earlier points raised, said:

- He has poor hearing and so meetings by phone would've been difficult for him to understand.
- He hadn't been given any advice with SPW only 'duplicating' his ISA.
- He didn't feel SPW were interested in his concerns and wouldn't provide him with details of senior members within its compliance team.
- SPW had made numerous mistakes including not being sent adviser information and documentation such as the terms and conditions.
- He wanted inheritance tax planning but that service wasn't given to him.
- Information provided to him was duplicated, too detailed, and at times with blank or overly colourful pages.

As an agreement was reached, the complaint was passed to me to decide. While some aspects of this complaint may have been out of time given the delays in Mr D referring parts of his complaint to our service, SPW agreed to consent to our service considering the complaint regardless of whether the complaint was referred late or not.

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.

A lot of information has been provided on this complaint and Mr D's feelings on this matter is clear in the evidence provided. But having reviewed the complaint in full, like our Investigator, despite Mr D's recollections and feeling of the events, I've not seen evidence SPW has treated him unfairly. I know my outcome will be disappointing to him and while I may not comment on every point made, I have focused on what I consider to be necessary to fairly explain my decision. I don't mean Mr D any disrespect in doing so, it merely reflects the informal nature of our service.

Migration

The joint venture between Mr D's existing provider and another meant that the services with his original provider would cease. This meant Mr D needed to either agree to move to SPW or should he not, then he'd need to make arrangements to transfer to another provider or close his accounts. As Mr D had an existing relationship with one of the merging firms, SPW arranged to meet with him to discuss its proposition and offer him the opportunity to move across to its services. This meeting took place by phone on 5 May 2020.

I've listened to a copy of this call and also reviewed the report and follow up letter that was sent to him afterwards. I can hear in this call that SPW said it had sent Mr D by post copies of various documents which explained its services. He responded to say he hadn't received them yet with SPW saying it would email him copies after the call.

It's not clear to me from the evidence provided whether Mr D received those documents by post or email as SPW said it would – SPW hasn't been clear, and Mr D says they weren't received. I have seen sample copies of the documents SPW says it sent that were in use at the time, including its services brochure and information about its charges. While I can't be sure Mr D had seen these I am in any event satisfied from the phone calls I've listened to that SPW explained and discussed the pertinent information within those documents with him, and that he understood that information at the time. This includes detail of the services offered, the changes and SPW's charges. I also note that Mr D had prior to this meeting a similar arrangement with the previous provider, a discretionary managed portfolio for which he was receiving ongoing advice.

The fee charged itself appears to have been the same as he had been paying – 1.2% each year on the value of his portfolio. The only differences he was told about here that the fee would be charged monthly rather than annually and the distinct components making up the total fee were broken down more clearly.

SPW also in this meeting reviewed Mr D's existing investments noting in particular his investment aims, a discussion around long term care (which Mr D said wasn't needed), his existing investments and how they were invested, risk, and detail of his assets. Following this SPW advised on the suitability of those investments and the recommendations it was proposing to provide him with should he move to SPW.

The advice given was that Mr D's existing investments would continue to be managed on a discretionary basis, which means trading would be carried out on his behalf against a mandate which SPW would advise him on. For Mr D, SPW was recommending he invest in a discretionary managed model portfolio against a mandate for a 'medium' level of risk, the third of six levels. While I've not seen Mr D's previous arrangements, the comments made around this in the call do suggest it was likely broadly the same, a discretionary managed portfolio on a medium risk basis. With SPW saying it would provide some additional services compared to the service Mr D had been receiving, such as investment of smaller amounts and no initial advice fee for subsequent investment.

SPW also recommended in this call that he invest further in his ISA from his existing cash reserves. Mr D declined to do so telling SPW that while he was interested in making a further investment at some point, he wanted to wait until later in the year before making a decision around that.

In my view, the content of the phone call and the information in the advice report from it evidences that the firm provided a sufficient explanation of the migration, why it was happening, the services being offered and the costs involved should Mr D agree to move to SPW's services. Nor have I seen any reason to think the recommendations it was making within that would've been unsuitable given the information SPW had about Mr D.

I'm also satisfied that SPW set out in a clear, fair and not misleading manner that he had a choice whether to move to SPW. It was clearly explained, and in my view understood by him, in this call that he wouldn't be able to continue with the previous provider and his options were to move to SPW or transfer elsewhere. After SPW explained its offerings, it asked Mr D whether he wanted to move across to SPW following what he'd been told about its services. Mr D he responded to that to say that he would, which SPW reconfirmed and again clarified that it wasn't his only option.

It follows then I'm satisfied SPW explained the changes in a clear, fair and not misleading manner and carried out a sufficient review of his investments. It also set out fairly that Mr D had a choice about whether to move across to its services and that he consented to doing so.

Turning to the allocation of adviser, Mr D's appointed adviser changed when he was migrated to SPW's service. Since then, the evidence available indicates that he had one adviser appointed to him as the same adviser who held the 'transitional review' in 2020 with him was the person who Mr D dealt with throughout. While Mr D may have spoken to another of SPW's advisers prior to the meeting in 2020, I'm not persuaded that means SPW treated him unfairly with who it allocated to him, or that it made a change to who it intended to appoint to him. Mr D had asked in a call for biographies of those advisers, which SPW said it would send him where Mr D said he hadn't received them with the other introductory literature. It's not clear if SPW sent those and if it did why those weren't received by Mr D, but even so, I'm not persuaded that has detrimented Mr D. I say this because SPW appointed him a professional adviser and wouldn't be required to make changes if Mr D disapproved of the biography of his appointed adviser. It follows that I'm not persuaded that means I need to make any directions to SPW around that part of his complaint.

Fees

During the initial phone meeting with SPW on May 2020 SPW explained the charges for the services it provided amounted to 1.2% of the value of his investments each year. And that this was broken down as:

- 0.35% for the discretionary management services
- 0.2% for the platform the investments would be held on
- 0.65% for its ongoing advice service

As I've said above, it's not clear what information Mr D was sent or received about SPW's charges. But I'm satisfied that SPW gave him the above information about its charges in this phone call. And importantly, explained it to him in a clear, fair and not misleading manner. This includes the services those fees were for, including that investment reviews were part of the ongoing advice service. Following the explanation of these charges, SPW asked Mr D if he agreed to accept them, to which he responded that he did.

The copies of the documents in use at the time do fairly set out the optional and cancellable nature of the charge and service. Had Mr D seen these then I'm satisfied that information was provided in a clear, fair and not misleading manner. But it's unclear to me given the conflicting evidence around this whether Mr D was sent or saw the literature around fees, including whether the ongoing advice fee was optional and cancellable if he moved to SPW's service. The information provided in the phone call in particular while does explain the fee and service, doesn't in my view make it clear the ongoing advice service was optional or could later be cancelled. I've also not seen this information was given to him in the letters and report sent to Mr D after that meeting.

However, even if I accept that Mr D hadn't been informed about the optional nature of the ongoing advice charges, or that they could later be cancelled, on balance I think it's likely if SPW hadn't provided that information then he would've agreed to SPW's ongoing advice service if it did. I say this because Mr D had previously used ongoing advice services before, and from the information available in the 2020 advice call I think that was a service he found useful and was one he wanted to continue. I also note in his later reviews and discussions with SPW when he raised concerns about the level of fees, he was told on several occasions he could cancel the ongoing advice fee but when told what services he would lose, decided to continue the service and pay the fee for it.

On balance then, I think it's likely that even if SPW hadn't provided him with the documentation which would show the ongoing advice charge was optional and cancellable if taken out, I think he would've agreed to it in any event. When Mr D later knew the service

was cancellable he decided to keep it. It follows then I don't think it's unfair SPW included its ongoing advice service to Mr D's services with it.

I'll address the fairness of the level of service Mr D received for the ongoing advice reviews he paid for below as they require more detailed discussion than the other components of SPW's charges.

For the other charges, I've considered whether SPW delivered the discretionary managed service for his portfolio which was part of the charges Mr D was paying as described above. And having done so, given the quarterly statements of Mr D's portfolio evidence a reasonable level of rebalancing of his portfolio, which would be managed against the result of his suitability reviews, I'm satisfied Mr D has received the discretionary managed service he had paid for. The platform charges relate to the custody and access of his investments which is provided by another party and the evidence available demonstrates that this service was provided to Mr D.

It follows I'm satisfied SPW fairly disclosed its fees and applied the fees for discretionary management and the platform fairly and as described.

Provision of ongoing advice

SPW's literature says its ongoing advice service includes an annual meeting to review investment performance, where any changes in circumstances and investment plans would be re-assessed. A report would also be provided setting out any recommendations, if any, to be made. The service is also disclosed as providing a number of other benefits, including no additional fees for any further investment into his portfolio – which Mr D made use of over the years. SPW doesn't within this, any other literature or imposition by any regulatory obligation say that meetings will take place in person. I'm satisfied then so long as a meeting took place, whether by phone, in person or video call, annually then SPW could fairly charge Mr D for the ongoing advice. So long as those meetings amounted to what could be fairly considered a reasonable review, which I'll move onto now.

Following the transitional review in May 2020 – where SPW advised Mr D move to its service and the ongoing advice service had been agreed to – I've seen evidence that reviews took place on or around the following dates by phone:

- 30 March 2021
- 2 February 2022
- 8 March 2023

I've listened to the recordings for each of these meetings. From doing so I'm satisfied these demonstrate SPW discussed with Mr D his circumstances and investments in the manner I would expect of an adviser reviewing the suitability of an investment portfolio. The areas discussed included any changes in circumstances, health, risk, inheritance tax planning and spending plans. The adviser also gave a summary of market events over the last year to provide context to portfolio performance.

Given the content of these calls, I'm satisfied the evidence that SPW carried out a reasonable review in those years. These calls, along with the initial meeting, also demonstrate that SPW was aware of Mr D's health and took those difficulties into account when dealing with him and in the advice it gave. Mr D has said he's hard of hearing and that caused him difficulties in hearing and following the discussions SPW had with him. However while I appreciate Mr D has those difficulties, from the recordings I've listened to I'm satisfied these demonstrate from the flow of the conversation that he understood what was being discussed. SPW also followed up these meetings in writing with a report and so if there was

anything unexpected within those, I've not seen evidence he queried such matters with SPW.

Mr D says the advice SPW gave him was simplistic where its recommendations tended to involve him topping up his existing ISA, which he says he was capable of arranging himself. While practically speaking he is right that he could top up the ISA himself, the importance here is that SPW's role was to give him suitable advice where it considered a recommendation was needed, and it wouldn't be unreasonable for it to recommend a further investment in his ISA if that was what would be suitable for him. What Mr D was paying for was SPW's expertise in considering the options and alternatives and recommending what it considers to be a suitable course of action. Which here often was to invest further in his ISA, and I'm satisfied that was reasonable in the circumstances.

I say this because when SPW made those recommendations it considered that Mr D had excess capital to invest. Given his objectives were to invest in a tax efficient way, topping up his ISA would be suitable. In addition to that I'm satisfied SPW also considered his risk levels and whether the mandate for his discretionary portfolio continued to be suitable for him. While I appreciate it may look and feel otherwise to Mr D, I'm satisfied SPW did more than simply charging him to top up his ISA.

Mr D has said that SPW almost caused him to miss using his ISA allowance at times. I appreciate his frustration, but I'm not persuaded the timing of those ISA contributions means SPW caused him any loss where the evidence provided shows the payments into his ISA were applied in time. While SPW didn't advise Mr D to top his ISA up annually, I'm satisfied in 2022 when it didn't that was because Mr D declined to do so, citing uncertainty around one of his properties.

I'm also satisfied from the recordings of the meetings Mr D had with SPW that the topic of inheritance tax was discussed. In those meetings SPW bring up the subject but Mr D says inheritance tax planning wasn't required as he has another party to make those arrangements for him, and so SPW wasn't required to advise him on it. It follows that SPW hasn't in my view unfairly omitted inheritance tax planning as it had offered to look into that matter but when doing so, was instructed by Mr D not to advise further on it.

I appreciate from the comments he's made throughout his complaint that Mr D expected a more personal service from SPW with face to face meetings as he previously received. I have considered what he's said around that, but I've not seen evidence to persuade me that SPW committed to provide face to face meeting or made such promises to him. Nor have I seen that it was otherwise required to do so. The evidence available to me demonstrates that reviews took place as agreed, and I'm satisfied from listening to them that Mr D understood these discussions. It follows then that I'm satisfied then the manner and way in which these reviews took place were fair and reasonable and SPW would be fairly charging for them when carrying them out by phone as it did with Mr D.

For 2024 however, Mr D didn't receive an annual review from SPW which given the fee period SPW charges he would've been entitled to. But just because a meeting didn't take place doesn't automatically mean SPW has to refund him. I say this because whether it is fair for SPW to charge for a review does not depend solely on whether the review occurred. I must take into account here that SPW has provided evidence that it attempted to contact Mr D by phone on two separate occasions – 22 February and 11 March 2024 – to offer the review to Mr D. I'm satisfied that demonstrates SPW was ready, willing and able to provide that review. And the reason it didn't go ahead was likely because either Mr D was aware of the invite and consciously declined it, or where he wasn't aware of the invite he likely would've declined it had he been.

I say this because the timing of this review coincided with the breakdown of Mr D and SPW's relationship, which was discussed in detail between the parties in a video conference in March 2024 without his adviser being present. While this meeting took place in the same period Mr D's next review was due, it was requested by Mr D to give SPW an opportunity to resolve his complaint to keep his custom, which unfortunately didn't bear the result he was looking for. I'm satisfied the content of this meeting, and his adviser not being present for it, demonstrate that it didn't amount to a review, nor was it intended to. And as it was discussed in that meeting, Mr D cancelled the ongoing advice service and the fees for it stopped following the cancellation. There are also a number of emails leading up to this meeting sent from Mr D to SPW which evidence that on his side the relationship had likely broken down beyond repair and included him telling SPW he would be moving away from its services.

I think it's likely then on balance Mr D's relationship with SPW had broken down to the point he didn't want to meet with SPW to discuss his investments, whether he received the invite to or not.

It follows then while the 2024 review didn't go ahead, I'm satisfied SPW was willing and able to arrange the review and had made reasonable attempts to arrange it. And the reason the review didn't go ahead was due to Mr D's relationship having broken down with SPW. On balance I think it's likely he in effect consciously declined the review, and if he didn't then I think it's likely he would've given what I've said above.

In my view SPW wouldn't be unfairly charging Mr D for its ongoing advice services for the review that was expected to take place in 2024, or the reviews in 2021, 2022 and 2023.

Other matters

I've also considered what Mr D has said about the literature SPW sent him, performance of his investments, and how SPW handled his complaint.

Mr D has said the literature SPW was lengthy and contained unnecessary images and branding. When it asked Mr D how he wanted to receive his reports and any other literature, he asked for it to be sent by post. I understand while in Mr D's view the length and presentation of these reports are wasteful in his view, I'm not persuaded that means SPW has acted unfairly here. I say this because SPW is required to provide the information it did and the presentation of that, including the branding and use of colour, is within SPW's discretion. SPW has also said that its literature was designed in mind with it being provided to customers through digital channel rather than post, which explains some of the design choices it has made which Mr D is dissatisfied with. I can't fairly then direct SPW around this point.

Turning now to the performance, I've not seen evidence the levels of performance Mr D is unsatisfied with were caused by any act or omission by SPW. It managed his portfolio as agreed and just because certain investment decisions might have worked out as hoped for doesn't mean that it did anything wrong. I'm satisfied for the reasons explained above that SPW suitably managed his portfolio on a discretionary managed basis. In my view it's more likely that the performance he is dissatisfied with is attributable more to the market events over the recent years, caused by the pandemic, war and global economic factors, than SPW's failing in its responsibilities towards Mr D's portfolio.

Lastly, Mr D is unhappy with how SPW dealt with his complaint, including communications around it. Our service can only consider matters involving the provision of financial services. In my view the matters Mr D complains of around how SPW handled his complaint are outside of the provision of those services, so I won't comment further on them.

I do sympathise with the frustration and disappointment Mr D has experienced in his dealings with SPW, the strength of his feelings is clear in his communications with our service. But I have to be fair to all parties involved and can only make a direction where the evidence persuades me of a failing by SPW towards Mr D which has detrimented him. And for the reasons explained above, I've not found that to be the case in Mr D's circumstances.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 July 2025.

Ken Roberts
Ombudsman