

The complaint

Mrs C complains about the suitability of investment advice provided to her by St. James's Place Wealth Management Plc ("SJP"). She's represented in bring her complaint, but for ease of reading I'll refer to submissions having been made by Mrs C.

What happened

Mrs C received advice in 2019 to transfer several pensions to SJP and start a unit trust (UT) and ISA investment.

In 2023 she complained that the advice had been unsuitable for a variety of reasons and that she hadn't received annual reviews due in respect of ongoing advice charges she'd been paying.

SJP made an offer to her in respect of the pension element of the complaint and explained that the annual reviews had in fact been provided, which was accepted by Mrs C. However, regarding the complaints points specific to the UT/ISA recommendation – that it was too high risk given her limited experience of the stock market and had been made at a time of significant change in her personal and financial circumstances – SJP didn't uphold the complaint.

It felt that the advice to invest a medium risk Managed Funds portfolio had been consistent with Mrs C's attitude to risk and suitably diverse. And regarding the timing, it confirmed that Mrs C had been employed when the advice was provided and that a reasonable emergency fund had been retained.

The UT/ISA element of the complaint was referred to this service, but our investigator also didn't think it should be upheld.

He considered Mrs C's circumstances at the time and agreed that the advice to invest in a Managed Funds portfolio appeared consistent with those circumstances, her agreed attitude to risk and her primary objective to invest in a tax efficient manner for growth and the potential to take a future income. He noted that the invested money came from cash already held, of which a significant amount remained on deposit.

The investigator also considered a further point regarding an alternative investment that had been available to Mrs C through her employer, which she said she'd would've been better off moving the money into. The investigator confirmed that he was only considering the advice provided by SJP and it wouldn't have been able to advise on this external investment. So, any decision to invest in her employer would've had to be her own.

Mrs C didn't accept the investigator's view. She reiterated that the investment had involved too much risk and stressed that she'd not been in permanent employment at the time the advice was provided, but rather on a temporary contract. And the invested funds had come from an employment tribunal award related to a previous job.

She also provided further information regarding the potential to have invested in the

company she'd began working for following receipt of the advice. She said these opportunities offered her low risk guaranteed returns, but the SJP Partner had advised her to stay invested as she was. She provided evidence of text communications with the Partner in which the alternative investment opportunities were discussed. In 2023 she'd decided to move her money out of SJP to invest with her employer.

The investigator wasn't persuaded to change his view. He said, in brief:

- SJP was only able to give advice and recommendation of its own products so he could only consider the suitability of the products recommended, not those that weren't.
- The information showed Mrs C was fully informed of her choices with SJP and was also fully aware of her employer's offerings.
- She didn't invest in her employer scheme, her husband did, and it would've been her choice to give money to him to do so. If she chose to invest in her husband's name for tax efficiency as she was a higher rate taxpayer that reinforced comments made by the Partner regarding the tax efficiency of the advice.

As no agreement could be reached, the matter was referred to me to review.

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've come to the same conclusions as the investigator and for broadly the same reasons.

Turning first to the general suitability of the advice, I'm satisfied it took reasonable account of Mrs C's circumstances at the time. While it was a time of change for her (she had left her previous employment and was working on a contractor basis and looking to semi-retire, although a return to work was not ruled out) her underlying financial circumstances appear to have been reasonably secure. She was left with almost £200,000 on deposit after £120,000 was invested.

The medium level of risk involved also seems to have been consistent with her overall circumstances. She had some previous investment experience with her pension and owned a buy to let property. The portfolio recommended to her featured a well-diversified selection of funds and a conversation around equity content and the management of the funds was documented. Her objective of tax efficiency was addressed by way of the UT feeding into the ISA annually.

Overall, I can see no issue with the investment recommended by SJP in 2019 forming part of her general financial arrangements at the time.

That said, it seems that the complaint now focusses more on what happened post-2019 and the potential for Mrs C to have invested in the business she joined in 2021, having changed her earlier plans to semi-retire. I can see from the documentation provided by SJP that Mrs C's circumstances and objectives were regularly reviewed over the years following the original advice (as noted, that element of her complaint – that reviews weren't provided – wasn't upheld), with recommendations regarding her pension and the UT/ISA investment being made, although as noted, the UT/ISA money was withdrawn in February 2023 to invest with her employer.

There's no reference to the possibility of Mrs C reinvesting with her new employer in the SJP

documentation until after the money had been withdrawn. But, as mentioned, she's provided screenshots of text communications that show that the opportunities were discussed with the Partner, particularly at times when her UT/ISA investment wasn't performing well. For instance, I can see that in March 2022 the Partner, in response to Mrs C explaining what was available from her employer, said that he would advise "sticking with the plan" (the UT/ISA investment) for several of the reasons underpinning the original advice – tax efficiency in the long term and diversity.

I don't think this was unreasonable of the Partner. Mrs C had raised the issue and prompted the Partner to engage on the matter. In my view, he was simply explaining why he continued to believe the original advice remained suitable. She wasn't prevented from changing her mind and disinvesting, or unaware of that as an option. Indeed, it appears that she'd already done so, in part, for other reasons prior to this text conversation (with the disinvestment having been returned to the UT/ISA when it was no longer required). And she ultimately went ahead and withdrew completely in 2023 to invest with her employer. She'd also been aware at the outset that other ways of investing were available to her – for instance, she already had the buy to let property.

Clearly, with hindsight, she may have been better off placing some money with her employer sooner than she did. But these opportunities were short term loan notes that the adviser couldn't advise on or recommend and, in any event, in my view didn't really constitute a reasonable comparison with the longer term, diversified investment in the UT/ISA.

In summary I'm satisfied that the advice provided to Mrs C was suitable and the Partner acted reasonably in his subsequent dealings with her.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 12 June 2025.

James Harris
Ombudsman