DRN-5252602

The complaint

The trustees of the Mr and Mrs E Investment Bond Trust have complained that St James's Place Wealth Management ('SJPWM') incorrectly advised Mr and Mrs E, the settlors of the trust, to take a whole of life policy for an expected inheritance tax ('IHT') liability where they say one never existed. And Mr and Mrs E were later advised to invest into an Investment Bond as part of IHT planning, again where they say there was no IHT liability.

To put the matter right, the trustees want the funds paid into the whole of life policy and Investment Bond returned to them and to be put back in the position they would be in if they hadn't been advised to buy the products.

What happened

In 2009 the Mr and Mrs E were advised to take out a Flexible Protection Plan ('FPP') – a whole of life policy – for IHT planning purposes. They were later advised in June and September 2016 to take out an Investment Bond in Trust.

After seeking alternative investment advice in 2022, Mr and Mrs E were made aware their estate could benefit from Agricultural Property Relief ('APR') and so their potential IHT liability would be significantly reduced. This would mean the recommended products were unsuitable for them.

The trustees raised their concerns with SJPWM who responded to the complaint on 30 June 2022. It didn't uphold the complaint. It said;

- In 2009 the Estate was valued at £1,545,330 including the main residence (£350,000), land (£500,000) and Mrs E having a share in her mother's house (£100,000). APR wasn't included in the calculation and the potential IHT liability on second death was £358,132. A whole of life policy was recommended and the cost of £6,000 per annum was affordable for Mr and Mrs E at the time which would provide cover for most of the liability – £329,554.
- At the time the adviser would need to have been informed that Mr and Mrs E's assets included working farmland to establish whether it was to qualify for APR but there wasn't any evidence that the adviser was given this detail.
- If the land had qualified for APR in 2009 and 2016 this would have reduced the IHT liability by £200,000 and £120,000 respectively which would have been insufficient to reduce the value of the estate below Mr and Mrs E's combined nil rate bands and an IHT liability would have remained. If the land did qualify for the relief, Mr and Mrs E's estate would be reduced on the second of their deaths meaning less of the whole of life policy proceeds would be needed to cover any IHT and more would be available to their children and which would not attract IHT.
- Mr E was keen to keep the whole of life policy despite knowing it could be surrendered and paid out. He was aware it was established for IHT purposes, but it was his intention to keep it and any excess could be used to provide for Mr and Mrs E's children. The cover was suitable for Mr and Mrs E's needs at the

time.

- It had been noticed that the Deed of Appointment of Additional Trustees for the FPP hadn't been completed correctly and a new form would need to be signed. SJPWM offered its apologies and £250 because of this plus an additional £250 for the delay in responding to the complaint.
- At the time the advice was given in 2016 to place funds into an Investment Bond in Trust for Mr and Mrs E's children, Mr and Mrs E's residential property was recorded as being valued at £185,000 and land at £300,000. There was no record of the land being used for agricultural purposes, but a rental income was noted though not its source.
- But the IHT calculated was more than covered by the whole of life policy of £317,527. This was discussed and Mr and Mrs E were aware the cover was more than their requirements. They had opted to keep the plan as the sum assured on second death would provide additional funds in excess of their liability for the benefit of their children and placing the funds in trust would further reduce the value of their estate and potentially IHT, thereby providing further funds for their dependents out of their estate. This was consistent with their wishes.

The trustees didn't agree with the outcome so brought the complaint to the Financial Ombudsman Service. Our investigator who considered the complaint thought it should be partially upheld. He said;

- Mr and Mrs E's land was qualifying agricultural land and was a qualifying asset under APR rules. SJPWM hadn't disputed this.
- He wasn't satisfied that the adviser carried out sufficient information gathering in 2016. The qualifying land was listed as an asset on the fact find and was Mr and Mrs E's main asset outside of their residence.
- Even though APR wasn't considered in 2009 the investigator was satisfied the whole of life policy was a reasonable product. The policy wasn't just to manage an IHT liability but to pass on wealth upon death of the policyholder. Mr and Mrs E were happy to start and continue the contributions and the cover level was relatively high. So, although the IHT calculations might not have been correct and the qualifying land not considered, it met their investment objectives. Despite the lack of documentation from the 2009 meeting the investigator considered the whole of life policy to be a suitable recommendation.
- But the investigator didn't agree with the suitability of the advice to take the Investment Bond in 2016. He thought the Confidential Financial Review put emphasis on Mr and Mrs E having selected the products, but it was contradictory. Either the whole of life policy was in place to discharge the existing IHT liability or was to cover the whole liability in the future. And he was concerned the meeting was focused on Mr and Mrs E taking out an additional product come what may.
- The IHT considerations were based on flawed calculations and the subsequent advice was a costly addition for Mr and Mrs E which could have been avoided if questions had been asked about the land. SJPWM should have been proactive in finding out more about the farm land. There was no suitability report available for the 2016 meeting, but the investigator concluded it was more likely Mr and Mrs E would not have taken the product out but for its IHT benefits.
- To put the matter right the investigator said the performance of the Investment Bond Trust should be compared to the performance of the FTSE UK Private Investors Income Total Return Index to the date of settlement. SJPWM should also pay £250 to the trustees for the distress and inconvenience caused.

The trustees accepted the investigator's findings. SJPWM didn't agree with the outcome;

- It was able to provide a copy of the 2016 suitability report which it said stated the reason for the recommendation – the Investment Bond was placed into a Gift Plan to reduce Mr and Mrs E's IHT liability. £180,000 was invested in July 2016 and £145,000 in September via a Discretionary Trust.
- A further £30,000 was added on 21 May 2021 and it provided the suitability report which documented Mr and Mrs E were aware the Investment Bond had potential IHT benefits as the funds invested would fall outside of their estate for IHT purposes after seven years. The main objective, over and above any IHT mitigation, was to ensure the investment could be passed to Mr and Mrs E's children without delay upon the second death. The value of the 2016 investment was now excluded from Mr and Mrs E's estate and had been distributed to the two beneficiaries in July 2024.
- Claiming APR wasn't simple and was usually dealt with upon gifting of the asset or death of the owner. The lack of discussion/documentation didn't render the advice unsuitable. Hindsight was being used and a concern was being raised which didn't previously exist.
- At the time of the advice there may have been a case to claim APR in the future, but the value of the relief was unknown. The land would need to qualify as agricultural property on both the date of gift/inheritance and valuation which was the date it was valued for tax purposes. When Mr and Mrs E met with the adviser in 2016 it wouldn't have been reasonable for him to have accurately calculated the value of APR, so it was unreasonable to expect the value to be excluded from the calculation for IHT purposes. The nil rate band was known and quantifiable, but the APR was not. If HMRC hadn't accepted this relief in the future or questioned its value this would have impacted on Mr and Mrs E's estate.
- The impact of APR couldn't have been apparent until the transfer of the land, or the second death and application made to HMRC to claim it. It wasn't a given that it would be granted. The reason for the recommendation was to potentially reduce the IHT liability and by placing the Investment Bond into a Discretionary Trust this was achieved and the funds had been subsequently distributed.
- Like the whole of life plan, the recommendation for the Investment Bond was a means to pass wealth to the next generation. The full value of £412,019 had been distributed with the majority being outside of the estate.

Our investigator's opinion wasn't changed, and he responded to say the complaint was to be decided by an ombudsman and;

- Mr and Mrs E's general objective was IHT mitigation.
- Regarding APR being 'unknown' at the time of the advice and that it was 'unreasonable' to expect it to be applied to the IHT calculations didn't comply with the rules that information must be gathered. Mr and Mrs E were clearly going to rely on the IHT calculations in 2016 so suggesting APR was either unknown or was an unreasonable consideration wasn't credible.
- The Financial Ombudsman Service didn't consider complaints with the benefit of hindsight. Only to assess whether the advice was suitable which is why the whole of life element of the complaint wasn't upheld. But it was the investigator's view that the relief available – the APR – was a reasonable and relevant consideration.

In response, SJPWM provided further comments for my consideration;

- While evidence of discussions about Mr and Mrs E potentially qualifying for APR

would have been appropriate, it didn't mean the advice was unsuitable. The beneficiaries had received the full value of the assets which were in the trust. And although IHT was the focus in 2016 its clear from Mr and Mrs E's subsequent actions they also intended to gift funds to their children, and it was affordable for them to do so. The full value of the Investment Bond had been paid to the beneficiaries in 2024, the majority of which was free of IHT. Placing the gifted money into Trust allowed Mr and Mrs E to retain control over the investments until distribution to the beneficiaries.

- It maintained that basing a recommendation on an unknown value of a potential relief was unwise and could prove detrimental to the clients' IHT position in the long term.
- For redress purposes it would be better to reflect the source of the funds. In June 2016 the funds were from SJPWM's ISA, and the September 2016 funds originated from the SJPWM's unit trust as was the 2021 investment.
- The investigator's opinion meant the assets should have remained part of Mr and Mrs E's estate whereas they had been passed to the beneficiaries mostly free of IHT. It wanted guidance on this point.
- Mr and Mrs E had already been refunded the ongoing advice charges ('OAC') for 2017, 2018 and 2019 so it wouldn't be refunding any OAC in respect of the Investment Bond.

As the complaint remained unresolved, it was passed to me to decide in my role as ombudsman.

I was thinking of reaching a different conclusion than the investigator and the complaint shouldn't be upheld. So, I issued a provisional decision to allow the parties to provide me with any further information or evidence for my consideration before I issue my final decision. This is what I said;

> 'SJPWM has provided all the relevant documentation from the times the advice was given. In particular I've relied upon in the information recorded in the Confidential Financial Reviews as these include details relevant to Mr and Mrs E's financial circumstances and investment objectives at the time. I've also referred to the subsequently provided suitability letters where the advice was formally provided to Mr and Mrs E. Again, I've given these significant weight – because they are consistent, were provided to Mr and Mrs E and an opportunity to correct them was given. On balance, I find these, more likely than not, to be an accurate representation of Mr and Mrs E's situation and priorities.
>
> Inclusion of APR in 2009 and 2016
>
> My understanding of APR is that when the conditions of the rules are met it reduces the value of any gifts of agricultural property made by a person during their lifetime or on death for the purposes of any IHT due on those gifts. It's accepted by the parties to the complaint that Mr and Mrs E's agricultural property – their farm land – could have potentially benefited from APR.
>
> There's no evidence APR was considered or discussed at the meetings. If it was – and discounted – I would expect to see some record of that discussion and finding. SJPWM has said that in 2009 there was no evidence the adviser was provided with sufficient detail for him to realise Mr and Mrs E's land could potentially qualify for APR.

However, it was recorded that 'a fair proportion of your assets are in property and land…' but I also note Mr and Mrs E were both employed – outside of farming – in book keeping and retail. This may have led the adviser to conclude the farm wasn't used for the relevant agricultural purposes to benefit from APR.

Overall, though, from the evidence presented to me, I think it's likely the adviser didn't contemplate the use of APR when I think there was the potential for it being a consideration in the advice it went onto give Mr and Mrs E. That being said, I'm not satisfied the lack of inclusion of APR has rendered the advice given as being unsuitable. I'll explain why.

SJPWM has said basing a recommendation on an unknown value of a potential relief is unwise and could prove detrimental to a clients' IHT position in the long term. I accept this point. And I also accept it couldn't be known what assets would be available upon the second death that could potentially benefit from APR.

I say this because it's recorded Mr and Mrs E had already sold some building sites in 2009 and were planning to sell some of the land. And that being the case, then the value for APR purposes would be reduced over the years. But that would only apply to the land and its value and not the other assets held in the estate which would still be liable to IHT in the usual way. And it couldn't have been known whether the property that remained within the estate upon second death would still be used for activities that would meet the APR rules that applied or whether Government would have amended the terms of APR over time.

And as noted in the June 2016 suitability letter it seems likely Mr and Mrs E were willing to gift land and sell more of it, or other property, in the future to fund any care home costs. And Mr and Mrs E's most recent adviser noted Mr E had transferred some land to his son's name which makes what was said in the June 2016 an actuality. The amount and value of the land that would be gifted or sold couldn't have been known other than the fact the proportion of Mr and Mrs E assets that could potentially have benefited from APR was reducing over time whereas the other assets would remain subject to IHT.

Taking all of the above into account, I'm satisfied that despite the lack of acknowledgement or advice about APR this wasn't ultimately detrimental to Mr and Mrs E for reasons I shall explain.

Affordability of the whole of life policy

Mr and Mrs E have complained that the annual premium for the policy of £6,000 was unaffordable for them.

I note from the 2009 Confidential Financial Review it was recorded with regard to the whole of life policy;

> 'An exact amount of cover was not specified however [Mr and Mrs E] confirmed that they would be happy to contribute 6000 per year towards the plan.'

And it was also recorded in the suitability letter that Mr and Mrs E were comfortable with that amount.

Mr E's annual income was £29,072 (it's not clear whether all the sources were gross or net amounts) and Mrs E earning £2,080 net. And their annual expenses were

£16,200. Even after netting Mr E's income, if it was gross, this would still have left Mr and Mrs E with a comfortable monthly excess of income over expenditure to have allowed for the annual whole of life policy to have been affordable.

Mr and Mrs E's most recent SJPWM adviser has referred to his meeting with Mr E since taking over the account and Mr E always being very keen to keep his whole of life plan but that he would be stopping his part time work and;

> 'the plan for this policy was that [the two children] would pay half of the premium between them as he felt it was a good plan to leave them the money.'

Mr E was aware he could cancel the policy and take out the investment value but Mr E;

> 'said it was there to leave more money to his children over and above his savings and although he knew to date what premiums he had paid in the policy was worth more he still wanted the sum assured protected for leaving to his children.'

While in Mr and Mrs E's later life, in 2020, when Mr E gave up working, it might have been the case that Mr and Mrs E's children were potentially going to contribute to the policy, the 2021 Confidential Financial Review records Mr and Mrs E having a monthly excess of income over expenditure of £762.

So, taking all of the above into account this suggests to me that it was unlikely the annual premium was unaffordable for Mr and Mrs E, either at the point of sale in 2009 or later when Mr E gave up working. So, I currently don't agree the policy was unaffordable for them.

2009 advice

It's recorded that Mr and Mrs E wanted to put in place a plan that would provide a lump sum upon second death in order to pay any IHT liability which had been calculated as being £358,132. The suitability letter recorded that Mr and Mrs E were comfortable with the annual premium of £6,000 per annum for the whole of life policy – the Flexible Protection Plan – which would provide cover of £329,554 for the majority of the potential liability. Upon the second death the beneficiaries could use the whole of life policy proceeds to pay the IHT bill immediately rather than selling down other assets.

The policy was to be written in trust under a Variable Discretionary Trust arrangement which would mean it was outside of the estate for IHT purposes. It would also allow for additional trustees in the future which were Mr and Mrs E's two children, who were also equal beneficiaries of the trust. Being written in trust would ensure the proceeds fell outside of Mr and Mrs E's estate. Although the plan wasn't considered an investment, Mr and Mrs E would have the option to cash it in if they wanted.

On the basis that Mr and Mrs E had an IHT liability that they wanted to provide cover for, I don't agree that, in itself, the whole of life policy was mis-sold to them. It was flexible and affordable so was a valuable estate-planning tool for those such as Mr and Mrs E who wanted to leave significant wealth to their heirs which its recorded Mr and Mrs E wanted to do.

Its initial primary use was not as an investment vehicle but if Mr and Mrs E wanted to stop the plan at a later date, it would have a cash in value. And the fact that later the children were considering contributing to the cost of the policy in 2020 – after the other investments were made for IHT purposes in 2016 – is supportive of my opinion that Mr and Mrs E were keen to have the policy regardless of the level of IHT liability as it was leaving more cash to their children. And over time, I think Mr and Mrs E's investment objectives became more nuanced and they saw the retention of the whole of life policy as an opportunity to pass on a lump sum on the second death.
So, I don't find the advice given in 2009 to take out the whole of life policy was unsuitable.

June 2016 advice

Mr and Mrs E wanted to focus on investment planning and their main priority was identified as potentially reducing their IHT liability. A Gift Plan Investment Bond was recommended as it;

> 'will potentially reduce the IHT liability and you will still have some control over who the eventual beneficiaries are.'

It was to be funded by encashing Mr and Mrs E's existing ISAs valued at just over £180,000 – which would otherwise have been included in the estate upon second death. This left Mr and Mrs E with unit trusts and an Investment Bond valued at just under £308,000 and cash of £72,000.

The suitability letter went on to say;

> 'Although you have an existing Whole of Life Plan in place to cover the IHT liability you confirmed that you now wished to reduce the liability by using your existing investments in a way that would reduce the liability. You will probably maintain your existing Whole of Life plan to meet any additional IHT liability to create additional wealth for your children'

And;

> 'You wish to take immediate action to potentially reduce the IHT liability.'
> The potential liability was calculated as being £166,148 which as far as I can see didn't take into account any IHT liability which would be covered by the whole of life policy. But this seems to have been understood by Mr and Mrs E as noted above – that the whole of life policy was now being used as a vehicle to 'meet any additional IHT liability to create additional wealth for your children.'

For IHT purposes, if the £180,000 being contributed into the Gift Plan in Trust was held for seven years this would reduce the liability by £89,320 leaving a liability of £76,828. Its recorded Mr and Mrs E;

> '…did not wish to make further arrangements to address this liability at this stage as your existing whole of life plan would more than cover this liability.'

And with regard to the existing whole of life policy;

> 'You intend to maintain this policy to cover any immediate IHT liability and the surplus not required for IHT to create wealth for your children but you now wish to arrange your investments more efficiently to reduce your IHT liability.

> You have not made any gifts and you have not made nor do you wish to use a Deed of Variation to redirect any inheritance you have received. You do not have any additional Life Assurance other than the Whole of Life policy that could be placed in Trust nor do you have any pension benefits that could be placed in an Asset Preservation Trust.'

And with regard to life assurance SJPWM said;

> 'Life Assurance offers a relatively simple means of funding your potential IHT liability or cushioning the impact of IHT, whether the contract is designed to pay a lump sum to meet an anticipated liability in the event of death, or to pay out a sum upon failure to survive a fixed period, i.e. seven years.
>
> You have an existing plan in place to cover the liability, but you feel strongly that by rearranging your existing investments you can reduce your liability and more of the proceeds from the life policy will be available for your children as opposed to paying IHT.'

I accept that some of the comments are contradictory. But overall, I think it's clear that Mr and Mrs E were happy with the whole of life policy as providing a lump sum upon second death for the benefit of their children and that it would cover the IHT liability if necessary. The initial reason for whole of life policy being held for IHT purposes was being superseded as a method to pay Mr and Mrs E's children a lump sum on death. And Mr and Mrs E wanted to look further at other ways of estate planning to take additional funds outside of their estate.

I think the focus on the whole of life policy as providing cover for IHT liability purposes had changed. In my opinion it looks as though Mr and Mrs E were now looking at the cover upon second death as solely for the benefit of their children and they wanted to shield any IHT liability over and above the amount of £329,554 that would be payable upon death. I'm satisfied its more likely that Mr and Mrs E were concerned with maximising the amount their children would get. On that basis the death benefit of the whole of life policy was now just being seen as another investment asset but outside of the IHT net. And I think Mr and Mrs E were happy to take steps to generally reduce their IHT as far as possible.

<u>September 2016 advice</u>

The suitability letter records that Mr and Mrs E were again interested in investment planning and the recommendation was to top up on the Gift Plan put in place earlier in the year. It was again recorded that;

> 'you have an existing Whole of Life Plan in place to cover the IHT liability you confirmed that you now wished to reduce the liability further by using your existing investments in a way that would reduce the liability. You will probably maintain your existing Whole of Life plan to meet any additional IHT liability to create additional wealth for your children.'

At the same time as the setting up the Gift Plan Mr and Mrs E had gifted £25,000 of a unit trust to one of their children. This left them with unit trusts valued at just under £227,000, Investment Bonds valued at £223,300 plus cash of £72,000. They wanted;

> 'to take immediate action to potentially reduce the IHT liability'

which was calculated at £61,484. Its recorded Mr and Mrs E wanted to contribute a further £141,072 (£145,000 was invested) to the Gift Plan taken from one of their unit trusts. If the plan remained in force in Trust for the following seven years their IHT liability would be reduced to just over £5,000. Mr and Mrs E;

> '…did not wish to make further arrangements to address this liability at this stage as your existing whole of life plan would more than cover this liability.'

And ;

> 'You intend to maintain this policy to cover any immediate IHT liability and the surplus not required for IHT to create wealth for your children but you now wish to arrange your investments more efficiently to reduce your IHT liability.'

Again, with regard to life assurance the suitability letter reiterated;

> 'You have an existing plan in place to cover the liability but you feel strongly that by rearranging your existing investments you can reduce your liability and more of the proceeds from the life policy will be available for your children as opposed to paying IHT.'

I think the above makes clear that Mr and Mrs E were aware of the whole of life policy and what it was intended for. Similar to the advice given in June 2016, I'm satisfied Mr and Mrs E were interested in having their assets held in such a way that would maximise the amount they passed on to their children. So, shielding as much of their regular assets as possible from IHT doesn't seem unsuitable advice.

And with regard to the Investment Bond, Mr and Mrs E's most recent adviser at SJPWM told us that Mr E stated he was made aware that the assets within the Investment Bond would be free from any long-term care costs for Mr and Mrs E as it was written in trust for their children. It's recorded that Mr and Mrs E were;

> 'happy that in the event of care being required you would be happy to sell some of your land or other property to fund the care required.'

As Mr and Mrs E would be financing any care costs themselves, it seems unlikely that a question of a deliberate 'deprivation of assets' would arise for means testing purposes.

I say this because there's no evidence that Mr and Mrs E knew they needed care or support at the time they put the assets into trust, nor was it a significant/sole reason for doing so or that they knew that they would need to contribute money towards their care. I don't think Mr and Mrs E's intention was to avoid paying care home fees as they had sufficient alternative funds to pay for any care home costs. Their priority was they wanted to be sure that their children benefited fully from the Investment Bond assets and because of the trust element, those assets couldn't be used to cover care home costs. So, the Investment Bond wouldn't just be a protection from IHT.

Regarding the value of the land which could have potentially benefited from APR it was recorded as being £500,000 in 2009 and this was reduced to £300,000 in 2016. I assume because of some of the land being sold. I note from the suitability letter of June 2016 Mr and Mrs E were going to sell some more of their land in the 2016/2017 tax year which its recorded would utilise both of their capital gains tax allowances (totalling £22,200) and give rise to a capital gains tax charge which leads me to

conclude it wasn't a small amount of land being sold. However, the September 2016 Confidential Financial Review confirmed that they would no longer be selling the land in that tax year. So, I'm satisfied that throughout the years of advice it wasn't known for sure what the intentions were for the land.

But it was known that Mr and Mrs E wanted to pass as much of their estate to their two children rather than them having to pay any IHT from the estate's assets. And by potentially ring fencing the funds added to the Gift Plan if held for a further seven years would have achieved that as those assets would have fallen outside of the estate for IHT purposes.

And we know that this is what happened. SJPWM has told us that earlier this year – not on its advice – the Investment Bond proceeds of £412,019 (which included the £30,000 invested in 2021) – a gain of 16%% over the period – were distributed to the beneficiaries and 'largely free of IHT'.

By not taking account of APR in 2016, Mr and Mrs E's estate was valued at over £1m, with about £329,000 of IHT liability already covered by the whole of life policy. And although they had that whole of life policy in place which could have covered their potential IHT liability at the time, I'm satisfied they wanted to further reduce their liability so they could leave more of their estate to their family and because there was the potential of their estate continuing to grow.

So, again it doesn't seem to have been unreasonable advice to try to remove those other assets from the estate via the Investment Bond or provide cover for any potential IHT or, if not needed, then the proceeds of the whole of life policy would benefit Mr and Mrs E's children.

And while it was known that the IHT liability was likely covered, I don't think that was guaranteed for the future. In 2016 Mrs E in particular was still young at the age of 64 years. So, I don't think it wasn't unforeseeable that the assets held could considerably rise in value over the coming years. And that increase in value could have been to such an extent that an additional IHT liability could arise, over and above the liability already protected by the whole of life policy.

So, overall, I don't find the two 2016 recommendations to invest into an Investment Bond held in trust to have been unsuitable advice. It has fulfilled its intended use by passing the assets to the children prior to the death of either Mr or Mrs E and without incurring IHT. And the children are still to benefit from the cover provided by the whole of life policy.

Overall, I don't find the recommendations given to Mr and Mrs E to have been unsuitable. I appreciate that Mr and Mrs E have incurred the costs of the annual premium for the whole of life policy, but I have concluded this was affordable. And the additional growth needed by the Investment Bond in trust compared to replace the unit trusts (0.23%) and ISAs (0.3%) was made clear in the suitability letters. But the outcome of the advice is that £355,000 was potentially moved outside of the estate in 2016 when invested into the Investment Bond in trust. And we know that the Investment Bond assets of £412,019 have already been passed to the beneficiaries 'largely free of IHT'.

There is also still the whole of life policy available which will pay out £329,554 to the beneficiaries upon second death, again free of any IHT. And if any of the farm land still remains upon second death and it is in use for acceptable agricultural purposes, then APR would still be available for the beneficiaries to apply for. So IHT would only

be payable on assets above the nil rate band. So, it follows that I don't think SJPWM needs to do anything more.

In response to the trustees' complaint SJPWM noticed that the Deed of Appointment of Additional Trustees for the whole of life policy hadn't been completed correctly and a new form would need to be signed. SJPWM offered its apologies and £250 because of this plus an additional £250 for the delay in responding to the complaint. I don't find this offer to be unreasonable in the circumstances of the complaint, so the trustees need to decide whether to accept the offer.'

SJPWM replied to say that it had nothing further to add.

The trustees didn't respond.

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.

As neither party responded to my provisional decision with further information or evidence for my consideration, I see no reason to depart from my provisional decision and I confirm those findings.

My final decision

For the reasons given, my final decision is that I don't uphold the trustees of the Mr and Mrs E Investment Bond Trust complaint about St James's Place Wealth Management.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs S as trustees of the Mr and Mrs E Investment Bond Trust to accept or reject my decision before 7 February 2025.

Catherine Langley
Ombudsman