DRN-5291088

The complaint

Mr D complains that EGR WEALTH LIMITED ('EGR') mis-sold him an investment in a bond, which caused him financial loss when it failed to mature and provide all the expected returns.

What happened

Mr D was contacted by a third party around September 2019 which persuaded him to invest in a bond issued by Access Commercial Investors 4 ('the bond'). EGR at the time was brokering these bonds and arranged the bond for Mr D, who invested £10,000 in it with the transaction taking place on 1 November 2019. The bond was due to mature on 31 December 2022 and intended to pay Mr D a regular income on a biannual basis followed by the amount invested on maturity. Mr D received income payments of £1,538.97 from the bond, but in August 2022 the issuer fell into administration which led to the bond failing to mature.

As Mr D didn't receive the maturity amount or returns he expected he complained, through his representatives, to EGR in its role arranging the bond. In summary his complaint was that EGR:

- Provided him with negligent and unsuitable advice,
- Failed in its duty of care towards him, and
- Didn't act in his best interests.

EGR received his complaint but wasn't able to issue a final response in time. As he continued to feel his complaint was unresolved, Mr D referred his complaint to our service to consider.

One of our Investigators looked into his complaint and upheld it. In summary her view was that under the relevant rules, Mr D was someone EGR could promote the bond to, but that those rules also required the bond to be appropriate for him. Which she didn't think EGR fairly assessed. In her view had EGR ought to have considered the bond inappropriate for Mr D, and had it, then he would've likely been deterred by the required regulatory warning. And even if it wouldn't have and Mr D asked EGR to proceed regardless, then EGR wouldn't be acting fair and reasonably towards him by allowing him to invest in this bond based on the information it had about him.

Mr D, through his representatives, agreed with our Investigator's conclusions. As we hadn't received EGR's response to those conclusions, the complaint was passed to me to decide.

More time was allowed for EGR to respond which subsequently did. In doing so it disagreed with our Investigator's outcome. In summary, this was because in its view:

- It was fair for it to rely on the information Mr D provided based on the rules in place at the time. If our Investigator was taking into account later revisions of the rules, it would be incorrect of her to do so.

- COBS 10 doesn't prescribe the questions to ask when collecting information about

appropriateness, and the questions it asked were reasonable.

- There was no requirement for EGR to probe the answers given to those questions further.

- The nature and the risks of Access Commercial's business were clearly set out repeatedly in the Information Memorandum ('IM').

- Our Investigator overcomplicated the nature of the bond to support her findings and it didn't agree with the level of complexity she appointed to the bond.

- In any event had a warning been given it wouldn't have changed Mr D's mind as the risks had been set out clearly to him, which he accepted.

- Our Investigator's interpretation of COBS 10.3.3G, which EGR argues gives it discretion whether or not to arrange an inappropriate investment, has no basis in the relevant rules.

- Mr D ought to accept responsibility for the investment decision he made, citing Principle 4 of the FCA's Principles of Good Regulation.

Our Investigator had reviewed the above but wasn't minded to change her view, and so the case remained with me to decide.

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.

EGR's role in the sale of this investment

Mr D's representatives say EGR gave him advice to take out this bond, but I don't agree. All the evidence provided related to the sale demonstrates EGR was providing him with an execution-only service during his dealing with it, and not advice. I say this because there is no record of any personal recommendation, or any evidence that EGR stepped inadvertently into the realm of advice. I also note that Mr D had in completing the application form with EGR confirmed that it wasn't giving him investment advice.

I'm satisfied from reviewing the application documents provided that while EGR didn't give advice, it did play an important role in the sale of this bond to Mr D. In his testimony Mr D explains that he was initially contacted by an unregulated third party which led him to invest through EGR. As that firm isn't regulated I can't be sure whether he was directed to EGR following advice by that firm or if he was merely introduced. But I don't think that matters here given EGR had its own distinct role in Mr D's investment in this bond. Regardless of the actions of any other party, I'm satisfied EGR would be wholly responsible for Mr D's investment if it were to fall below its regulatory obligations around how it sold the bond. For the avoidance of doubt, I've not in determining this complaint attributed any acts or omissions of that third party firm to EGR.

The application evidence provided for this complaint demonstrates, in my view, that EGR's involvement in the sale of this bond amounted to the regulated activity of arranging deals in investments as set out at Article 25 in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ("RAO"). With the bond amounting to an instrument creating or acknowledging indebtedness by means of it being such as asset set out in Article

77(1)(d) where it acknowledges indebtedness by it paying an income in exchange for Mr D's capital sum, which would be due to be repaid to him at the end of the bond's term.

I'm satisfied then the application process involved arranging Mr D to invest in a regulated investment and directly had the effect of bringing about the transaction. EGR then was carrying out a regulated activity involving a specified investment in the circumstances before me.

Did EGR meets its obligations in the arrangement of this investment?

While Mr D's representatives have based their complaint on the basis EGR made an unsuitable investment recommendation to Mr D to invest in the bond, I'm satisfied the crux of this complaint is that it was mis-sold to him by EGR. Given that crux, it wouldn't be improper of me to consider more widely this complaint is about a mis-sale, and to consider and apply the relevant considerations that apply to this product and the circumstances in which it was sold as opposed only to the suitability of it that Mr D's representatives have presented in making this complaint.

In order to fairly determine this complaint then I think it would first be helpful to set out what I consider to be the relevant considerations in fairly determining this complaint.

Relevant considerations

I've carefully taken account of the relevant considerations in deciding what is fair and reasonable in the circumstances of this complaint. In doing so, I've taken account of the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and where appropriate, what I consider to have been good industry practice at the relevant time.

I'm satisfied the investment Mr D applied for was a 'non-readily realisable security' ('NRRS'). Given that, this meant there were rules restricting who this type of product could be promoted to, and how to test whether it was an appropriate investment for the potential investor.

The most relevant of these rules are those set out in COBS 4.7 and COBS 10. EGR would also need to have regard to the general principles in the FCA Handbook at PRIN 2.1, in following being of particular relevance here:

- Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly.

- Principle 7 – A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

Overlapping with Principle 7 and so also a relevant consideration here is COBS 4.2.1R(1), that a firm must ensure that a communication or a financial promotion is fair, clear and not misleading.

To be clear, I've considered and applied these rules to the circumstances using them as they were in force at the time of Mr D's application. And without applying any future changes or updates retrospectively as EGR has particular concern about. The most relevant of the rules within COBS 4.7 and COBS 10, for the avoidance of doubt all have been considered, are those as follows below.

COBS 4.7 – Direct offer financial promotions

COBS 4.7.7R said:

> "(1) Unless permitted by COBS 4.7.8 R, a firm must not communicate or approve a direct-offer financial promotion relating to a non-readily realisable security to or for communication to a retail client without the conditions in (2) and (3) being satisfied.
>
> (2) The first condition is that the retail client recipient of the direct-offer financial promotion is one of the following:
>
> (a) certified as a 'high net worth investor' in accordance with COBS 4.7.9 R;
> (b) certified as a 'sophisticated investor' in accordance with COBS 4.7.9 R;
> (c) self-certified as a 'sophisticated investor' in accordance with COBS 4.7.9 R;
> (d) certified as a 'restricted investor' in accordance with COBS 4.7.10 R.
>
> (3) The second condition is that the firm itself or the person who will arrange or deal in relation to the non-readily realisable security will comply with the rules on appropriateness (see COBS 10 and 10A) or equivalent requirements for any application or order that the person is aware, or ought reasonably to be aware, is in response to the direct offer financial promotion."

COBS 10 – Appropriateness

COBS 10.1.2R said:

> "This chapter applies to a firm which arranges or deals in relation to a non-readily realisable security, derivative or a warrant with or for a retail client, other than in the course of MiFID or equivalent third country business, and the firm is aware, or ought reasonably to be aware, that the application or order is in response to a direct offer financial promotion."

On satisfying itself an investment would be appropriate, COBS 10.2.1R said:

> "(1) When providing a service to which this chapter applies, a firm must ask the client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the firm to assess whether the service or product envisaged is appropriate for the client.
>
> (2) When assessing appropriateness, a firm must determine whether the client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or service offered or demanded."

COBS 10.2.2R said the following around the information a firm should consider about the consumer's knowledge and experience:

> "The information regarding a client's knowledge and experience in the investment field includes, to the extent appropriate to the nature of the client, the nature and extent of the service to be provided and the type of product or transaction envisaged, including their complexity and the risks involved, information on:
>
> (1) the types of service, transaction and designated investment with which the client is familiar;
> (2) the nature, volume, frequency of the client's transactions in designated investments and the period over which they have been carried out;

(3) the level of education, profession or relevant former profession of the client."

On the reliance of information provided to it, COBS 10.2.4R said:

> "A firm is entitled to rely on the information provided by a client unless it is aware that the information is manifestly out of date, inaccurate or incomplete."

And on the inference of knowledge or experience alone, the guidance at COBS 10.2.6G said to firms:

> "Depending on the circumstances, a firm may be satisfied that the client's knowledge alone is sufficient for him to understand the risks involved in a product or service. Where reasonable, a firm may infer knowledge from experience."

If a firm determined from those rules that such an investment would be inappropriate then COBS 10.3.1R required firms to do the following:

> "(1) If a firm considers, on the basis of the information received to enable it to assess appropriateness, that the product or service is not appropriate to the client, the firm must warn the client.
>
> (2) This warning may be provided in a standardised format."

In the event a warning was given and the consumer wanted in any event to proceed, COBS 10.3.3G provided the following guidance:

> "If a client asks a firm to go ahead with a transaction, despite being given a warning by the firm, it is for the firm to consider whether to do so having regard to the circumstances."

As Mr D was applying to EGR for it to arrange an investment in a NRRS, as highlighted above, COBS 4.7.7R restricted EGR from promoting it to Mr D, unless two conditions were met. First that he was one of the specified categories of investor, and second, the investment being applied for was appropriate for him.

<u>Categorisation</u>

Turning first to EGR's categorisation of Mr D. In order to promote the bond to him, EGR needed to satisfy itself he was one of the specified types of investor at COBS 4.7.7R (2). That being he was either a high net worth, 'restricted' or sophisticated – whether certified or self-certified – investor. And, that he signed a declaration to a statement set out in the relevant part of COBS 4.7.10R for restricted investors, or COBS 4.12.6R to 4.12.8R for the other categories.

The application EGR asked Mr D to complete contained a section listing each of those categories and directed him to select which type of investor he met the requirements of from those options. The relevant declarations required for each investor type were displayed on the application within the subsection for each category. While these declarations omitted required wording, specifically the definition of what constitutes a net asset, EGR did accurately replicate that above the tick box options for the investor types.

Reviewing Mr D's application from this list he selected he was a 'restricted investor', and signed a declaration to the following statement:

> "A certified restricted investor is an individual who has signed, within the period of twelve months ending with the day on which the communication is made, a statement in the following terms:
>
> Restricted Investor Statement
>
> I make this statement so that I can receive promotional communications relating to non-readily realisable securities as a restricted investor. I declare that I qualify as a restricted investor because:
>
> (a) in the twelve months preceding the date below, I have not invested more than 10% of my net assets in non-readily realisable securities; and
>
> (b) I undertake that in the twelve months following the date below, I will not invest more than 10% of my net assets in non-readily realisable securities.
>
> I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on non-readily realisable securities."

As I mentioned this declaration is flawed where EGR moved the net asset section out of the declaration to the top of this section of the form. But given Mr D selected the first option of 'restricted investor', the net asset definition required to answer that fairly is shown on the same page in view of the 'restricted investor' declaration. In those circumstances then, in my view, it would've been sufficiently prominent for Mr D to fairly consider what EGR, and the relevant rules, meant by 'net asset' when considering how to answer this part of the application form.

The information EGR asked Mr D to provide when gathering information from him in its application form didn't include any information about Mr D's assets outside of the £10,000 he was looking to invest. EGR couldn't have reasonably known then if Mr D was investing less than 10% of his net assets in NRRS, or that he alternatively may have met the requirements of a high net worth individual due to his income and/or net asset value. EGR invited some further information from him on the form where it asks for further information about the source of the money being invested in the free text box below his selection of 'savings'. As this was only completed by entering "Savings", EGR had little else to rely on to potentially question whether Mr D met the requirements of a 'restricted investor'.

While I have my reservations about Mr D satisfying the requirements of any of the categories given the information available to EGR about him, he did sign the declaration to say he met the requirements of a 'restricted investor'. EGR arguably ought to have asked for further information given it knew so little about him from to satisfy itself he met the requirements of a restricted investor as he selected himself to be.

But having thought about that, on balance EGR had set out what he was signing to declare himself as in an overall clear, fair and not misleading manner. And I'm satisfied EGR would be acting in a reasonable manner by relying on Mr D's declaration here where it presented the categories fairly.

It's conclusion then that it could reasonably consider Mr D to have passed the first limb of the test in COBS 4.7.7 wasn't in my opinion unfair, given in the circumstances it wasn't unreasonable to consider him to be a 'restricted' investor as he declared.

Appropriateness

The second condition of COBS 4.7.7R is that EGR needed to, having categorised Mr D as an investor within the first limb of the test in COBS 4.7.7R, was to ensure it was an appropriate investment for him, as COBS 10 sets out for such a bond.

In order to fairly determine whether the bond was appropriate for Mr D, EGR needed to ask questions about his knowledge and experience of investing in the NRRS field, or similar. EGR needed to fairly satisfy itself from the information it had about Mr D that he had sufficient knowledge and experience to understand the risks involved with such an investment for it to be appropriate for him.

As set out above, COBS 10.2.2R says such questions should include:

> "(1) the types of service, transaction and designated investment with which the client is familiar;
>
> (2) the nature, volume, frequency of the client's transactions in designated investments and the period over which they have been carried out;
>
> (3) the level of education, profession or relevant former profession of the client."

The application form EGR required Mr D to complete aimed to ask questions about these aspects. The key information EGR had to make a fair determination of the appropriateness of the bond for him was that:

- He was investing £10,000 from cash savings.
- He'd ticked a box to indicate he had the necessary experience and knowledge to invest in the offered NRRS asset.
- The free text box asking for information about his source of wealth and experience was only answered as "Savings".
- He hadn't worked in a position that would give him the necessary experience.
- The free text box to provide information about his knowledge and experience in the NRRS field was left blank.
- He indicated by ticking the relevant boxes that he understood the risks and might get back less than he invested, and that the interest returns weren't guaranteed.

From the information EGR had about Mr D, I'm not persuaded it could've reasonably satisfied itself the bond was appropriate for him. I say this because EGR had insufficient information about the investment experience he had, the sorts of transactions he'd been involved with, and how often he'd traded those products, to be able to reasonably do so.

The tick boxes on the application form to agree that he has the necessary knowledge and understood the risks don't go far enough to provide EGR the assurance it needed Mr D actually understood the type of bond and the risks involved with it. If Mr D for example was agreeing to that on mistaken knowledge of what the bond was then he wouldn't have the necessary knowledge to answer that question correctly.

Importantly EGR had limited information about his investment history to corroborate his agreement on the form to having the experience and knowledge to invest in the bond. It

knew he had cash but had no other information about where this had come from or his investment history. EGR's application asked Mr D to provide information about his investment experience, which he left blank. I've not seen evidence that EGR questioned his knowledge and experience any further. In my view, the obligations on EGR to gather sufficient information lie with it, not Mr D, and so it was its responsibility to ask further information here before proceeding to determine the bond's appropriateness for Mr D, which I've not seen evidence it did, or attempted to.

I've considered what likely would've happened had EGR carried out even basic queries with Mr D about his knowledge and experience. In response to our service's queries about those factors, he has explained he wasn't planning to invest at the time but was 'persuaded' to by the third party. The money he invested in the bond came from a £50,000 maturity from a building society account. He had at most very limited previous investment experience citing that as being no more than a few previous shareholdings. Given this experience and his answers in EGR's application that he had no recent experience or existing holdings, along with the lack of other information about this on his answers to the application form, had EGR had this information it wouldn't in my view be able to reasonably conclude that the bond was an appropriate investment for Mr D. I say this because his knowledge and experience wouldn't demonstrate the required understanding and appreciation of the risks of an NRRS like the bond where he hadn't yet experienced the higher probability of total loss on the limited investments I think it's likely he previously held.

Had EGR made such queries and used that information to fairly determine whether the bond was appropriate for him, it ought to have considered that it wasn't an appropriate investment for Mr D.

The guidance within COBS 10 at COBS 10.2.6G does allow EGR to infer experience from knowledge, or for it to consider Mr D have sufficient knowledge without needing appropriate experience. Importantly this guidance says it is applicable in circumstances where it would be reasonable to do so. Having considered this guidance, I don't think it could be reasonable for EGR to consider it reasonable to apply this guidance to Mr D's circumstances. I say this because Mr D told EGR that he had no relevant experience from working in financial services, nor could EGR reasonably infer Mr D had sufficient knowledge to invest in the bond with the little previous investment experience it ought to have understood him to have had – for the same reasons I've set out above.

Given EGR ought to have reasonably concluded the bond was inappropriate for him, it should've provided Mr D with a clear warning this investment was inappropriate for him, as COBS 10.3.1R sets out. As EGR didn't think the bond was inappropriate it didn't provide such a warning to Mr D. If I were to consider that a warning in line with those rules was presented to Mr D, I'm satisfied on balance that would've deterred him from progressing his application further. I say this because he wasn't actively looking to invest and had very little previous investment experience, with his recent maturity seemingly coming from a building society savings product. In my view then clear notice that the bond would be inappropriate would've stopped Mr D from progressing his application, which would have the effect of him not investing in it.

Even if I were wrong on that point, I can't fairly say EGR could've reasonably satisfied itself when considering the guidance at COBS 10.3.3G that to accept his application, if he were to ask it to despite a reasonable warning, would've been treating him fairly. Given what EGR knew about his knowledge and experience, I'm not persuaded it could reasonably satisfy itself that arranging investment in the bond for him would be acting in his best interests and treating him fairly. While Mr D has indicated he understood the risks, in my view it wouldn't have been clear to him what risks he was agreeing he understood given his knowledge and

experience. EGR then in my view can't fairly rely on that to say Mr D would've gone ahead despite the warning.

His application, had it got this far, then in my opinion ought to have been stopped at this stage by EGR. Which would have the effect of him not investing in the bond. EGR argues this guidance gives it discretion whether or not to accept the account. While to an extent it does, the guidance importantly asks the firm to have regard to the circumstances. In my view that means thinking about the wider circumstances and had it, acting in line with Principle 6 at PRIN 2.1, I'm not satisfied it could fairly conclude it would be in Mr D's best interests to allow the investment given what I've said above.

I accept that COBS 10 doesn't specify what and how to ask questions relating to appropriateness or to probe the answers further. But EGR is obligated to collect that information in a way which enables it to determine the bond's appropriateness for Mr D. For the reasons given above the answers EGR received, which may in part be due to how it asked those questions, weren't sufficient for it to make the determination of appropriateness as COBS 10 requires. In my view its only options then were to decline the application, or to probe the answers given or answer further questions to be able to make the determination required in COBS 10. Which for the reasons explained above, I've not seen it did.

EGR has mentioned it provided Mr D with information about the bond which included several risk warnings and notices he could incur a total loss. It argues from this Mr D knew and understood the risks involved and that he was happy to proceed on that basis. I understand the point EGR is making here but I don't agree. The information memorandum it is relying on to say such notices were provided to Mr D arguably shouldn't have been made available to him. I say this because in my view that should only have been provided to Mr D on EGR reasonably satisfying itself Mr D was someone it could promote such assets to and that it would be appropriate for him to invest in them. It follows that this document should never have been made available to him given I've not seen the bond was an appropriate investment for him. Even if I'm wrong on this point, EGR ought to have known from Mr D's knowledge and experience it was likely he wouldn't have been able to properly and fairly understand the nature and the risks of the bond. I'm not persuaded then EGR could reasonably rely on the reading of this documents to correct the failings towards its obligations around appropriateness above. These bonds come with additional risk that not all investors will be able to understand or appreciate with the investment knowledge and experience they have, which is why rules are in place to control who they are sold to.

I also don't agree, as EGR says our Investigator did, I'm overcomplicating the risks of the bond. I'm satisfied it was a complex investment for which the risks involved were multifactorial and dependent on the business plans of the issuer, its lending criteria and risk tolerances. And by extension the same of those it was lending to. In my view with the investment knowledge and experience Mr D had, it wouldn't be unreasonable to consider he would lack the appropriate understanding to fully appreciate those risks for it to be an appropriate investment for him as I've explained.

Additionally on this point of understanding of the risks, I've not seen that Mr D would've fairly understood the nature and extent of the risks involved from the questions EGR asked him on its application. Many of these questions are fairly general and don't highlight the specific risks involved with the bond, or NRRS products generally, where it covered topics such as eligibility for the Financial Services Compensation Scheme, the possibility of getting less back than invested and returns not being guaranteed.

I've considered what EGR says where it highlights the FCA's position that consumers should take responsibility for their decisions – which it is referring to the FCA's general principles of good regulation. But in my view that doesn't forgo the obligations EGR has on it when

promoting and selling NRRS investments, such as the bond Mr D was sold. I say this because there are specific rules and guidance in place to prevent those being sold to certain sections of the market and as I've explained above, in the circumstances before me I consider it likely Mr D was such a person who this bond shouldn't have been sold to.

Summary

Overall, from the evidence provided I'm persuaded Mr D's investment in the bond shouldn't have gone ahead as it would be inappropriate for him. Had a reasonable warning been provided, I'm satisfied Mr D would've heeded that and stopped his application at this point. I say this because EGR ought to have known it couldn't offer the bond to him under COBS 4.7.7R given he couldn't reasonably be considered to have passed the second limb of that test, given the bond's inappropriateness for him.

It follows then I uphold this complaint and direct EGR to settle it as follows.

Putting things right

Fair compensation

In assessing what would be fair compensation, I consider that my aim should be to put Mr D as close to the position he would probably now be in if he had not been given unsuitable advice.

I take the view that Mr D would have invested differently. It is not possible to say *precisely* what he would have done differently. But I am satisfied that what I have set out below is fair and reasonable given Mr D's circumstances and objectives when he invested.

What must EGR do?

To compensate Mr D fairly, EGR must:

- Compare the performance of Mr D's investment with that of the benchmark shown below and pay the difference between the *fair value* and the *actual value* of the investments. If the *actual value* is greater than the *fair value*, no compensation is payable.

- EGR should also add any interest set out below to the compensation payable.

- Pay to Mr D £250 for the distress caused by the total loss of the capital value of the bond.

Income tax may be payable on any interest awarded.

Investment name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
Access Commercial Investors 4 Bond	Still exists but illiquid	Average rate from fixed rate bonds	Date of investment	Date of my final decision	8% simple per year from final decision to settlement (if not settled within 28 days of the business receiving the complainant's acceptance)

Actual value

This means the actual amount payable from the investment at the end date.

If at the end date the investment is illiquid (meaning it could not be readily sold on the open market), it may be difficult to work out what the *actual value* is. In such a case the *actual value* should be assumed to be zero. This is provided Mr D agrees to EGR taking ownership of the investment, if it wishes to. If it is not possible for EGR to take ownership, then it may request an undertaking from Mr D that he repays to EGR any amount he may receive from the investment in future.

Fair value

This is what the investment would have been worth at the end date had it produced a return using the benchmark.

To arrive at the *fair value* when using the fixed rate bonds as the benchmark, EGR should use the monthly average rate for one-year fixed-rate bonds as published by the Bank of England. The rate for each month is that shown as at the end of the previous month. Those rates should be applied to the investment on an annually compounded basis.

Any additional sum paid into the investment should be added to the *fair value* calculation from the point in time when it was actually paid in.

Any withdrawal, income or other distributions paid out of the investments should be deducted from the fair value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if EGR totals all those payments and deducts that figure at the end to determine the fair value instead of deducting periodically. If any distributions or income were automatically paid out into a portfolio and left uninvested, they must be deducted at the end to determine the fair value, and not periodically.

Why is this remedy suitable?

I have decided on this method of compensation because:

- Mr D wanted to achieve a reasonable return without risking any of his capital.
- The average rate for the fixed rate bonds would be a fair measure given Mr D's

circumstances and objectives. It does not mean that Mr D would have invested only in a fixed rate bond. It is the sort of investment return a consumer could have obtained with little risk to their capital.

My final decision

I uphold the complaint. My decision is that EGR WEALTH LIMITED should pay the amount calculated as set out above.

EGR WEALTH LIMITED should provide details of its calculation to Mr D in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 July 2025.

Ken Roberts
Ombudsman