

The complaint

Mr E complains that St. James's Place Wealth Management Plc (SJPWM) failed to provide him with any advice or support in relation to his Self-Invested Personal Pension (SIPP) and removed itself as his servicing agent without any prior warning.

What happened

In 2005 Mr E received advice from Smith Wealth Management, an SJPWM firm, to open an SJP SIPP. Wolanski & Co Trustees Limited (later known as Alliance Trust) were appointed as the plan's trustees and administrator.

In 2013 Curtis Banks took over the administration of Mr E's SIPP.

On 6 September 2023 Mr E received a letter from Curtis Banks. It said Smith Wealth Management were no longer his adviser or servicing agent.

Mr E says he was unaware that Smith Wealth Management had decided to end its relationship with him.

In October 2023 Mr E complained to SJPWM about his SIPP. He said he'd already submitted an online complaint in September 2023 which hadn't been responded to. In his complaint Mr E said he was concerned with SJPWM's decision to step back from advising him which wasn't discussed with him beforehand. He said that while he respected that SJPWM were entitled to withdraw its services, the way it did so was unacceptable.

SJPWM asked Mr E to complete a further complaint form. In it, Mr E explained that SJPWM hadn't contacted him since taking out the plan to see if it had remained fit for purpose. Mr E noted he'd had issues with how Curtis Banks had been administering his SIPP and while SJPWM were aware of the issues, it hadn't helped him resolve them.

On 2 January 2024, SJPWM responded to Mr E's complaint. It said when Mr E's investment commenced in 2005, he received a booklet explaining the charges that would apply. It said that before 2012 clients didn't pay an ongoing advice charge so there had been no contractual agreement for SJPWM to provide Mr E with ongoing advice.

SJPWM said they understood its advisor had been helping Mr E with his investment up until recently when he made the decision to no longer service the plan. However, it acknowledged that Mr E wasn't told that until the SIPP provider wrote to him. SJPWM therefore offered £150 in light of any stress or inconvenience caused.

Regarding Curtis Banks, SJPWM said that standard due diligence is done on all external providers before giving a recommendation. However, in Mr E's case, the SIPP provider had changed hands to Curtis Banks as a result of a change of contracts which SJPWM weren't involved in. SJPWM said any concerns Mr E had with his provider needed to be made directly to them.

Finally, SJPWM also offered a further £150 compensation to recognise the time taken to

respond to Mr E's complaint.

Mr E remained unhappy with SJP's response and brought his complaint to our Service. In his submission, he noted his concerns that SJPWM hadn't followed its complaint procedures. He also said that SJP's assertion about Curtis Banks being his SIPP provider was incorrect as it was an SJP SIPP. So, he thought SJPWM had a responsibility to do due diligence on Curtis Banks and hold them to account for their administration services.

SJPWM said it had reviewed Mr E's complaint following its referral to our Service. It noted that as a consequence of ending its relationship with Mr E, Curtis Banks had charged a 'unadvised client fee' of £116 plus VAT per annum. SJPWM said as a further gesture of good will, they'd offer £140 to reflect the first year of the charge and also increase its compensation offer in respect of the distress and inconvenience caused from £150 to £300, making a total of £590 (which still included £150 for the delayed complaint response).

Following her investigation, our Investigator said Mr E hadn't been paying SJPWM for ongoing advice and it was entitled to make the decision to end its relationship with him. However, she thought as a matter of courtesy, SJPWM ought to have spoken to Mr E first. But considering the circumstances of the complaint, our Investigator said SJP's revised offer of compensation was fair.

Mr E disagreed. He said he hadn't seen SJP's revised offer but in any case, key elements of his complaint hadn't been properly addressed. He said his points regarding SJPWM failing to adhere to its complaints procedure; its role as SIPP provider; and lack of due diligence, still needed to be addressed.

As Mr E disagreed with our Investigator, the complaint was passed to me for a decision. I sent Mr E and SJPWM my provisional decision on this complaint. I've copied the relevant parts below.

My provisional decision

In my provisional decision I said;

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'm satisfied Mr E wasn't paying SJPWM a fee for ongoing advice on his plan. Nor was SJPWM receiving any trail commission from the plan in exchange for any of its services.

I therefore agree that SJPWM wasn't obliged to provide Mr E with ongoing advice as to the suitability of his plan since its sale in 2005. I appreciate that over the years SJPWM had provided a level of service in answering questions from Mr E and helping to service his plan, but I don't think those were services Mr E was entitled to through the payment of any fees to SJPWM. Therefore, I'm satisfied SJPWM was entitled to withdraw those at any time.

It doesn't seem to be disputed by Mr E that SJPWM was entitled to remove itself as the servicing agent on his plan. I agree that's a commercial decision SJPWM was entitled to make. But it was the way it was done which caused Mr E distress.

It's disappointing that SJP's advisor didn't inform Mr E of his intention to remove himself as the servicing agent prior to it happening. And so, I can appreciate Mr E's surprise and disappointment when Curtis Banks wrote to him to say he no longer had an advisor on his plan without any warning or notice - or to allow him time to find a new adviser.

I appreciate Mr E would have liked SJPWM to offer him the chance to decide whether he wanted to pay it for ongoing advice before the advisor cut ties with him. But I can't say it did anything wrong in not offering that option. Again, that's a commercial decision SJPWM is entitled to make. However, as a matter of courtesy and in order to act in Mr E's best interests, SJPWM ought to have explained why it was removing its advisor as servicing agent. That would have given Mr E forewarning and an opportunity to seek advice from elsewhere.

In its revised offer to our service, SJPWM offered to pay a years' worth of the unadvised client fee that subsequently became due as a result of the adviser being removed, rounded up to £140. I think that was a fair offer as it gave Mr E time to find and engage with a new advisor, potentially preventing further additional fees in the future. SJPWM also offered to increase its compensation for the stress and inconvenience its actions caused to £300.

In the circumstances of the complaint, I think £300 accurately reflects the level of distress caused to Mr E by SJPWM not being upfront and transparent in explaining that it was withdrawing as his servicing agent.

In reviewing the complaint, I can see Mr E remains unhappy with the response given by SJPWM in relation to his concerns that Curtis Banks were not 'fit for purpose'. In its response SJPWM said *"however, your provider later changed hands to Curtis Banks which was a result of a change of contracts that SJP was not involved with. As such, Curtis Banks will need to address any concerns in relation to this, as they are your SIPP provider."*

Mr E believes SJPWM is wrong to suggest it isn't his provider. And he's concerned that SJPWM hadn't provided any evidence to show it carried out due diligence on Curtis Banks.

It's important to note here that St. James's Place comprises of more than one legal entity and this complaint solely relates to the actions of SJP Wealth Management PLC (SJPWM). That's because the crux of Mr E's complaint relates to the actions of his advisor for which SJPWM are responsible. However, there is another St. James's Place entity – St. James's Place UK Plc (SJPUK) – which is broadly responsible for the administration side of the business.

When Mr E was first sold his pension, he was told by Wolanski & Co that *"The Plan is governed by its Trust Deed and Rules. It was established by St. James's Place UK plc and they are the Plans provider. St. James's Place UK plc, as provider, has appointed Wolanski & Co. Trustees Limited as the Plans trustee and administrator and in these roles we are responsible for the day-to-day operation of the Plan."*

Mr E provided letters from when the plan moved to Alliance trust and later Curtis Banks. In those letters Mr E was told that the administration of his plan was changing to the new firms, but all other conditions of his plan remained unchanged.

In the correspondence from Curtis Banks, Mr E's SIPP was referred to as the 'Curtis Banks St. James's Place SIPP'. On its website Curtis Banks has terms and conditions for its St. James's Place SIPP. The terms say *"St. James's Place UK plc is the Provider of the SIPP and is part of the St. James's Place plc group of companies. Curtis Banks Ltd are the Operator of the SIPP and are appointed as the Administrator for HMRC purposes."*

I can therefore see Mr E's confusion when SJPWM referred in its response to Mr E's 'provider' being Curtis Banks. From the evidence I've seen I'm satisfied that's not the case and it doesn't accurately reflect the relationship described to Mr E in his original paperwork from the point of sale or given to him at any point since. So I don't think SJPWM helped matters here. It ought to have been much clearer in its complaint response to Mr E about the

different parties involved in his pension.

However, just because SJPWM's communication was misleading when describing the parties involved in Mr E's SIPP, that doesn't necessarily mean he has suffered a loss.

As the operator and administrator of Mr E's SIPP, Curtis Banks has its own responsibilities and duties towards Mr E. If Mr E thinks Curtis Banks has failed in those responsibilities, then he will need to raise those concerns directly with Curtis Banks as SJPWM suggested in its complaint response.

It's possible Mr E thinks SJPUK also has some responsibility here in terms of helping to resolve the issues he has with Curtis Banks. I say that because he questions the due diligence SJP had done on Curtis Banks prior to his plan moving to them. However, as I've said, this decision relates solely to the actions of SJPWM. Therefore, any issues regarding the due diligence (or lack of) would be for SJPUK to respond to. And whilst I think SJPWM ought to have been clearer in its complaint response, I'm satisfied it isn't responsible for the concerns Mr E has raised in that regard. It's equally possible that it's the lack of clear explanation concerning the role of the relevant parties that has caused Mr E to believe that there were other failings on the part of an SJP entity. In any event, in light of what I've said here, it's for Mr E to decide whether he wants to raise further concerns with SJPUK.

I've considered whether SJPWM's actions and the lack of clarity in its communication caused additional distress or inconvenience that warrants further compensation. However, this wasn't the crux of the complaint Mr E originally made to SJPWM. The main cause of the distress and inconvenience he says he suffered arises from the decision by SJPWM's advisor to remove himself as Mr E's advisor. Considering the complaint in its entirety, I'm satisfied the £300 already offered reflects the distress and inconvenience caused by SJPWM here.

Mr E is also concerned that our Service hasn't commented on his concerns that SJPWM has failed to act in line with its complaints procedure. For example, Mr E says SJPWM chose not to speak with him about his complaint; it failed to review all of the documentation supplied; and it failed to conclude its investigation within eight weeks.

Our Service isn't able to look into the merits of every complaint brought to us. The rules we must follow are set out in the Dispute Resolution (DISP) rules within the Financial Conduct Authority's (FCA) handbook.

DISP 2.3.1R only allows our service to consider complaints about regulated activities as described in DISP 2.4.1G. There's no provision in DISP for us to decide on matters that solely relate to the way a business has handled a complaint.

This means that Mr E's complaint about whether SJPWM have followed its complaint procedure isn't something that we're able to help him with.

SJPWM have already offered Mr E £150 for the delay in sending its complaint response to him. For the reasons I've given, I make no finding on that aspect of compensation, but I mention it here simply because it forms part of the overall offer SJPWM made to settle this complaint.

The responses to my provisional decision

SJPWM didn't respond to my provisional decision.

Mr E confirmed that he had no further information to pass to me and accepted my

provisional decision on his complaint.

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.

I've also reconsidered the findings I made in my provisional decision.

Mr E has accepted my provisional decision and neither side have made any further comments or submissions for me to consider. So, I see no reason to depart from the findings I've already reached in this case. Therefore, my decision remains the same for the reasons I set out in my provisional decision.

My final decision

St. James's Place Wealth Management Plc have made an offer of £590 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is St. James's Place Wealth Management Plc should pay Mr E £590 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 February 2025.

Timothy Wilkes
Ombudsman