DRN-5299164

The complaint

Mr J complains that Quilter Wealth Ltd (Quilter) gave him unsuitable advice to transfer the pension he held with his existing provider to a flexi-access drawdown pension with a provider I'll refer to as provider S, and then to invest his funds in a balanced risk investment.

Mr J said his pension was invested incorrectly and he has lost money as a result. He would like the money he has lost returned to him.

What happened

Mr J approached Quilter for advice in 2019. He wanted to take Tax Free Cash (TFC) from his existing pension, but he didn't want to take any income yet. He needed advice before he could do so.

Mr J met with Quilter on 18 September 2019.

Quilter carried out a fact find on Mr J's personal and financial circumstances and his objectives and goals. This recorded the following:

- Mr J was married and aged 64 at the time of the advice. He had no dependants. He was in good health.
- He intended to partially retire at age 66 in line with his state pension age.
- He owned his own house.
- He was self-employed, with a total household income of £14,300 each year. And annual expenditure of £13,200.
- He had an existing money purchase scheme with a value of around £111K. This had a guaranteed single-life income in retirement.
- He had £10K of credit card debt, with monthly repayments of £250.
- He wanted to release his TFC and then use part of it to fund a purchase which he would use to drive an ongoing income. He also wanted to use it to repay his credit card debts.
- Mr J had used some of his emergency funds to keep up with the credit card repayments.

Quilter carried out a risk assessment which assessed Mr J's Attitude to Risk (ATR) as "Balanced".

Mr J's existing provider sent details of Mr J's pension to him and Quilter on 20 September 2019. This showed that his pension had a guaranteed single-life pension of £6,650 each year from 2020.

Quilter issued an options report on 14 October 2019. This was based on Mr J taking annual drawdown payments of £3,600 in future. Based on the assumptions used, including Mr J having a balanced ATR, this projected that he'd have a total remaining pension pot of around £38K at 83.

Quilter issued its Suitability Report (SR) on 15 October 2019.

The report named the adviser who had provided the advice. I'll refer to this person as person G.

The SR noted that the credit card debts were: "*causing you difficulty and you would like to clear them*."

The SR noted that Mr J had asked Quilter to focus on his retirement provision, with particular attention to making the most of his existing arrangements. It also noted that it was critical to establish Mr J's ATR and to ensure that he was comfortable with the risk attached to any proposed investment vehicle. As such, Quilter had completed a risk profiling questionnaire and discussed Mr J's circumstances. After doing so, it'd agreed that his risk profile was Balanced. The SR stated:

"*Balanced Investors typically have modest levels of knowledge about financial matters. They may have some experience of investment in riskier assets.*

In general, Balanced investors prefer not to take much risk with their investments, but will do so to an extent. They prefer lower risk assets, but realise riskier investments are likely to give better longer-term returns.

Balanced investors can take some time to make up their mind on financial matters and can often suffer from regret when decisions turn out badly."

The SR noted that Mr J also needed to consider his capacity for loss. And how long his investment would be for. It recorded that the timeframe for his investment was at least 20 years. It also noted that Mr J had no prior investment experience other than his existing pension.

The SR noted that Mr J understood that fund values could fall as well as rise. And stated: "*You are comfortable accepting a Balanced level of risk but would not [like] to move any higher up the risk scale*."

The SR noted Mr J's objectives were to access his TFC from his existing pension and use it to pay off his credit card debts and provide the capital for his new venture. It reported that Quilter had discussed the possibility of using a bank loan for this. But noted that Mr J didn't want further interest payments as he wanted to reduce his monthly outgoings. Therefore his preference was to use his TFC.

The SR said that as Mr J's existing pension didn't allow him to only take his TFC, he wanted to consider moving to an alternative contract, while keeping costs as low as possible.

Quilter recommended that Mr J transferred his existing pension to a Flexi-Access Drawdown arrangement with provider S. And that he then took 25% of the fund value as TFC, but no income. It also recommended that he invested his remaining funds in provider S's Pension Portfolio Four.

Mr J signed the fee agreement for the advice and for an ongoing service on 24 October 2019. He accepted the advice and signed the required transfer forms on 30 October 2019.

On 28 November 2019, Mr J's existing provider wrote to him to confirm that it'd paid £115,947 23 to provider S.

On 7 December 2019, provider S wrote to Mr J about his pension. It said it would pay him a TFC lump sum of £28,986 80. The letter said that £86,960.43 would be placed in his drawdown account.

Quilter wrote to Mr J on 21 January 2021 to say it was sorry he'd decided to postpone his annual meeting until the following year. The letter stated:

"*I am glad that you are happy with the performance of the fund over the last year*."

Quilter carried out its annual review of Mr J's pension in January 2022. The value of the fund as at 20 January 2022 was £91,014.83.

Quilter also produced an advice report dated 20 January 2022. This stated that although the fund performance was low compared to the sector average, it was happy that the plan continued to be suitable for Mr J's needs and that the investment was in line with his ATR.

Quilter carried out its annual review of Mr J's pension In January 2023. It produced a number of reports dated 17 January 2023. These noted that the fund value as at that date was £82,578.95.

Quilter shared a summary of the January 2023 meeting with Mr J. This noted that he'd confirmed that there hadn't been any key changes since the last meeting. Quilter therefore felt that its original advice and the recommended plan continued to be suitable for Mr J's needs.

In April 2023, I understand Mr J transferred his pension from provider S to another provider. It transferred £81,713.23 on 25 April 2023. Mr J told this service that he'd yet to take any income from his pension.

Mr J sent a letter of complaint to Quilter on 13 September 2023. But he sent this to a closed Quilter office, so it didn't receive it at that time.

The letter stated that Mr J had employed a different financial adviser because he felt that his pension with provider S had substantially fallen in value since Quilter had advised him in October 2019.

Mr J said he wanted to know how Quilter had recorded and determined his ATR before it helped him set up his pension with provider S. He said he and his wife – who had also attended his meetings with Quilter - both recalled telling it that they didn't want to risk the capital falling in Mr J's pension, as they were reliant on those funds to support their retirement income, which they expected to start taking within five years of the advice. Mr J said despite telling Quilter that he didn't want any risk, it'd invested his funds which had fallen in value.

Mr J said that when he'd received Quilter's original report, he rang it to say that the acceptable risk it had reported wasn't correct. But he hadn't then heard anything further from Quilter.

Mr J said he was further concerned during his 2022 meeting with Quilter, but again, it took no action to change his investments. He said he was told there were no alternatives available and that he wouldn't be complaining if his funds had increased in value.

Mr J felt that Quilter had failed to listen to him or treat him fairly. He wanted to know why it didn't follow his original request to invest his money in funds which couldn't go down.

Mr J also felt that as he'd had more than one Quilter adviser, this had led to his requirements being misunderstood.

As he hadn't heard from Quilter, Mr J wrote to it again on 1 December 2023 to the same address he'd sent his September 2023 complaint, enclosing a copy of his original complaint. Quilter said it received this letter on 6 December 2023.

Quilter issued its final response to the complaint on 29 January 2024. It didn't think it'd done anything wrong. It said it'd fairly assessed Mr J's ATR. And that it'd described a balanced investor as well as showing an illustrative asset allocation for a balanced investor. It felt it'd acted in good faith in Mr J's best interests. It also said it couldn't find any evidence to suggest that it hadn't followed his instructions or treated him unfairly.

Quilter said that person G had met Mr J on 30 October 2019 to present the SR to explain why he considered his recommendation appropriate. It said it'd asked Mr J to explain his thoughts on being exposed to the new risks that came with the recommendation. And that he'd answered as follows:

- *Your current arrangements do not give you the ability to provide for a pension for [your wife] without giving up the guarantee.*

- *You do not want to take an income initially.*

- *You want to be able to take the tax-free cash part of your pension in order to clear your credit card debts and purchase [an asset for your new venture].*

Quilter said it was satisfied that Mr J was prepared to take some risk with his retirement planning to meet his retirement needs. And that it couldn't find any evidence to support his assertion that he'd wanted a risk averse approach.

Mr J didn't agree with Quilter. He made the following points:

- He hadn't ever met person G.

- He hadn't received its letters of 21 January 2021 or 20 January 2022. He asked it to send him a copy of both.

- He said he had no record of a meeting with Quilter on 17 January 2023. And asked it to provide a copy of the letter it said it'd sent him on that date. He questioned whether the meeting had even taken place, and asked Quilter to provide evidence of the time it was alleged to have taken place.

Mr J said that during the initial meeting, Quilter hadn't discussed any alternatives or other forms of investment, even though he'd told it he didn't want to lose any of his capital. He also said that during conversations with his adviser he'd raised concerns about his fund's performance. Mr J said he'd taken Quilter's professional advice about where his money should be invested. He felt he should've given him alternative advice on where to invest his money when his fund was performing badly.

Quilter replied to Mr J. It apologised for mistakenly saying that he'd met with person G. But it said that person G had still been responsible for the advice. Quilter also sent Mr J the documentation he'd requested. But it still didn't think it'd done anything wrong.

Mr J wasn't happy. He still didn't agree that he'd met with Quilter on 17 January 2023. He wanted to know why person G had written the SR despite never meeting him.

Mr J felt that his adviser had made his own decision on what to do with his money rather than basing his advice on the risks he'd wanted to take. He felt that if he'd been invested in line with his wishes his funds wouldn't been at risk and he'd still have all his money.

Unhappy, Mr J brought his complaint to this service in June 2024. He said he'd wanted to transfer to a drawdown policy. But felt that Quilter had incorrectly invested his money with provider S, leading to a financial loss. He wanted Quilter to compensate him for this loss.

Our investigator felt that Quilter's recommendation to transfer Mr J's pension to provider S was reasonable, given his objectives at the time. But she didn't think it'd been reasonable to recommend a balanced investment. She felt it hadn't been suitable advice, given Mr J's personal and financial circumstances at the time of the advice, to increase his exposure to investment risk.

To put things right, our investigator felt that Quilter should compare the performance of Mr J's investment with a benchmark made up of 50% FTSE UK Private Investors Income Total Return Index and 50% fixed rate bonds. And if that showed a loss, it should pay that amount into Mr J's pension.

Quilter didn't agree with our investigator. It said that the SR had covered the timeframe, Mr J's capacity for loss and his investment knowledge and experience. And that it'd also considered the likelihood of Mr J's money running out.

Quilter said that Mr J's original pension had been invested in a With Profits fund which had 43.60% invested in UK and overseas equites. It said that this was similar to the recommended provider S Pension Portfolio Four fund, which it said held 40.40% of its assets in equities at the time of the advice. It therefore didn't agree with our investigator that it'd recommended a fund with a higher risk than Mr J's previous arrangement.

Quilter also said that it'd used the industry-recognised risk questionnaire to assess Mr J's ATR. And that this had determined that he had a balanced ATR. It felt it'd been clear that Mr J had been prepared to take this level of risk to meet his income needs in retirement for the longer term. It also said that it'd re-assessed Mr J's ATR in 2023 and that it was still balanced. Quilter felt that Mr J had proceeded with the advice in a fully informed position.

Our investigator considered Quilter's points. She issued an updated view in October 2024. She still didn't think it was reasonable for Quilter to suggest that Mr J could be fairly assessed as having a balanced ATR at 64, with only two years left to retirement and when he needed to access his pension. She didn't think he'd been prepared to take that level of risk with his only pension provision other than his state pension. She also felt that the aim of the investment fund Quilter had recommended was to deliver long- term growth. But that Mr J had needed access to his pension savings in the short term. She felt that the withdrawals he would then have to make would hinder the fund's ability to make up any reduction in value due to poor fund performance.

Our investigator acknowledged that the recommended fund had a similar equity content to Mr J's previous pension. But noted that the With Profits fund he had held would be considered to be more cautious than an investment which was linked directly to the rise or fall of the value of assets.

As agreement couldn't be reached, the complaint came to me for a review.

I issued my provisional decision on 13 January 2025. It 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 don't intend to uphold it. I don't agree with our investigator that the investment recommended by Quilter was unreasonable for Mr J, given his circumstances at the time of the advice. I know this will be disappointing for Mr J. I'll explain the reasons for my decision.

I first considered whether the advice to transfer from his existing provider was suitable for Mr J.

Was the transfer suitable?

Mr J wanted to take TFC from his existing pension, which offered a generous guaranteed single-life annuity, but this wasn't possible without taking an income at that time, which Mr J didn't want to do. For this reason, and because he wanted flexibility about when he drew his income, and to ensure his wife benefited from his pension if he were to die before her, Quilter recommended that he transferred his existing pension to provider S.

I can see that Quilter also suggested that Mr J could take a bank loan to repay his credit card debts, rather than moving his existing pension. But Mr J didn't want to do that as he wanted to reduce his monthly outgoings. And he needed to use the rest of his TFC for a new venture he planned, which he hoped to earn a part-time income from.

Quilter also carried out research for Mr J which showed that he could take his TFC and then use the rest of his fund to purchase a 50% joint-life annuity of £3,236.28 each year, guaranteed for five-years. But this didn't meet Mr J's objectives for flexibility and wouldn't have delayed his taking an income.

Overall, I'm satisfied that Quilter's recommendation that Mr J transferred his existing pension to provider S's flexi-access drawdown arrangement was suitable. I say this because it met his objectives at the time of the advice, which the sensible alternatives suggested didn't do.

I next considered whether the recommended investment was appropriate.

Was the recommended fund suitable for Mr J's needs?

Our investigator felt that Quilter's recommended fund was unsuitable for Mr J's only pension, as she felt it exposed his fund to a greater investment risk than his existing pension. And that it did this only two years before he intended to start drawing down on it. She didn't consider that Mr J's personal and financial circumstances reflected the balanced ATR Quilter had assessed, despite the detailed reports and risk assessments it'd carried out. She also felt that Mr J had very low capacity for risk. She said that as he only had a few years before he planned to take his benefits, he had very little time to make up any losses he might experience in Pension Portfolio Four. She felt there'd be no chance of making up any shortfall after Mr J had retired.

While our investigator felt it was reasonable for Mr J to accept some risk to keep pace with inflation, she didn't think it was reasonable for him to invest in a fund with a balanced degree of risk when he should've been protecting his pension fund value.

Quilter's position is that Mr J's original pension had been invested with a similar proportion of equities to its recommendation. So it didn't agree with our investigator that it'd recommended *a fund with a higher risk than Mr J's previous arrangement.*

Quilter has also demonstrated that it used the industry-recognised risk questionnaire to assess Mr J's ATR at the time of the advice, leading to its assessment of his balanced ATR.

Quilter felt Mr J had been prepared to take this level of risk in 2019 to meet his income needs in retirement for the longer term. To support this, it said his ATR had been assessed again in 2023 and it was still balanced.

The evidence shows that at the time of the advice, Quilter discussed volatility in investments, and that it noted that the smoothing used in Mr J's existing pension reduced volatility. The "Goals and objectives" section of the 2019 fact find also stated: "[Mr J] was happy to accept a degree of volatility in order to help improve the growth potential of his plan."

This section also noted that Mr J wanted to use his TFC to repay his credit card debts and to make a purchase for the new venture he planned to start in semi-retirement. It said that this would help with his income needs.

The notes in the 2019 fact find also reported how difficult Mr J was finding it to: "keep up with his credit card payments without eating into his emergency funds." It also recorded that Mr J had rejected the possibility of a bank loan, despite the fact it could reduce the amount of interest he was paying.

I can understand why Mr J wouldn't want to take on a bank loan, as the evidence shows he didn't only want to reduce monthly outgoings. He also wanted to use his TFC to supplement his income going forwards. I think it would've been very difficult and costly for him to get a bank loan large enough to meet both of these needs. And I consider it was a suitable use of TFC to start a new venture which could help with Mr J's income needs in future, meaning that he'd be less likely to need to access the funds in his pension.

I can't fairly agree with our investigator that Quilter failed to correctly assess Mr J's ATR. I say this because I'm satisfied that Quilter fairly used an industry-accepted process and that it discussed Mr J's personal and financial circumstances in detail with him before it made its recommendations. I'm therefore satisfied that Mr J was in an informed position when he agreed with Quilter's ATR assessment in 2019. And that he re-confirmed this in 2023.

This view is supported by what Quilter recorded in its SR, which noted that there could be times: "when the value of your investment could drop quite sharply. You need to be aware and be comfortable that you have the necessary capacity for loss to accept this." The SR went on to record that Mr J was happy to accept this level of volatility, given his 20-year investment timeframe.

The SR also noted Mr J had no investment experience outside of his original pension. It stated: "You do understand however that there will be periods when your fund will grow at a greater rate than others and that the fund values could fall as well as rise. You are comfortable accepting a Balanced level of risk but would not [want] to move any higher up the risk scale." I think this shows that Quilter discussed investment risks with Mr J in detail. And that he confirmed he was comfortable with the level of risk it'd suggested, but nothing greater.

I asked Mr J what prompted him to complain at the point that he did in September 2023. He said he'd done so for the reasons set out in that letter, which appears to show that he doubted that his ATR had been correctly assessed in 2019. And that he felt he'd instructed Quilter on more than one occasion that the risk it'd said he wanted to take was incorrect.

While I don't doubt this is what Mr J recalls, Quilter said that person G had confirmed that Mr J had never asked him to change from a balanced investment outlook to a risk averse approach, either verbally or in writing. It also said that Mr J hadn't asked it to change his risk profile from what it'd assessed and then recorded in the documentation it'd provided him with. It said that if it had provided incorrect information in its 2019 and 2022 documentation, it would've expected Mr J to have followed up about that at the time.

I've not found any documentary evidence of any instruction from Mr J to Quilter to reduce his investment risk, or to tell it that it'd incorrectly assessed and/or recorded his ATR. Taking into account what both parties have said about this, on balance of probabilities, I'm more persuaded that Mr J never gave Quilter such an instruction. However, if he can provide evidence of the instructions he said he gave Quilter, I'd be grateful if he could provide them to this service.

I also agree with Quilter that if Mr J had told it he didn't want to take any risks with his pension, person G wouldn't have recommended the transfer. In that case, Mr J wouldn't have been able to use his TFC to pay off the debts he'd been struggling to pay without also starting to draw an income, which he didn't want to do. He also wouldn't have been able to make the purchase which he hoped would lead to further income in retirement.

While I agree that Mr J had a low capacity for risk, I can't fairly agree with our investigator that his objectives meant that it wasn't reasonable for him to invest in a fund with a balanced degree of risk. I say this because the evidence shows that Quilter considered his personal and financial circumstances before it recommended a balanced investment. And because I consider that the new venture Mr J wanted to embark on could lead to future income, meaning that there would be some chance of making up any pension shortfall in future if necessary.

I accept that the removal of smoothing would increase the volatility of Mr J's balanced investment. But the evidence shows that Quilter explained this to Mr J at the time of the advice. I say this because the SR summarised the advantages and disadvantages of Quilter's recommendation in detail. It made the following point about Mr J's ATR:

In the new pension, you will now be directly exposed to the investment Risk and the volatility of the investment funds used now, and in future. As a member of the guaranteed scheme you were protected to a certain degree from this direct connection with the underlying investments.

…

Following our conversations about this, you were comfortable and understanding of these additional risks, however, I don't believe this supports the transfer. It is more a neutral point you have agreed to be accepting of, if the transfer is to proceed.

I think this clearly shows that Quilter had discussed the loss of smoothing with Mr J and that he'd agreed to accept it was worth moving to Pension Portfolio Four anyway.

I've also not been presented with any evidence that a suitable smoothed fund existed alongside Mr J's chosen pension product. Given that, and as Mr J intended to drawdown on his pension for "at least 20 years", I agree with our investigator that Mr J's objectives meant that he needed to accept some risk to keep pace with inflation. I therefore can't fairly agree that it would've been appropriate for Quilter to recommend a significantly lower risk investment, as I'm not persuaded that this would've met Mr J's long-term requirements for his pension. And there's no evidence that Mr J asked for an investment of this type. I therefore don't consider that the fund Quilter recommended was unsuitable for this objective.

I'm persuaded that the evidence shows that Mr J understood the investment risks he was taking on when he accepted the 2019 advice. Notes from the 2021 meeting then show that he was happy with the performance of his fund. It appears he started to become concerned about the fund's performance in 2022, first complaining about it in September 2023.

I consider that the SR was clear that if Mr J followed Quilter's recommendation, there were possible disadvantages that it needed to ensure he fully understood before it would agree to proceed. The SR stated: "Not all aspects about moving to a Flexible money purchase arrangement will necessarily result in an improvement, and in reality only time will tell whether this transaction will produce a better outcome for you or not. There are numerous complex considerations, but I need you to be satisfied that, on balance, you believe that the benefits outweigh the disadvantages." And then set out that one of the key disadvantages could be that fund performance over the coming years could be lower than anticipated, meaning that Mr J might end up with lower benefits than if he'd stayed in his existing scheme, which was protected to a degree by smoothing.

Overall, I'm satisfied that the evidence shows that Mr J was in a fully informed position when he accepted Quilter's recommendation. I'm therefore not persuaded that Quilter gave Mr J unsuitable advice. Nor am I persuaded that Mr J instructed Quilter that he didn't want to take any risk. But even if he did, I'm not persuaded that a no-risk strategy would've met his needs and objectives.

Therefore, while I know this will be very disappointing to Mr J, I don't intend to uphold the complaint.

Response to my provisional decision

Mr J said he was very disappointed with my provisional decision. He made the following points:

- He questioned why he would've wanted to invest his pension to deliver long term growth when he was hoping to retire at age 66 and had no other investments.

- He said he'd only ever personally dealt with one individual from a business with a different name from Quilter. And that he'd never dealt with the person who'd written his Advice and Drawdown Reports. He said Quilter had acknowledged that he'd never met with that person. And questioned how he could've possibly advised on how and where his pension was invested under those circumstances. Mr J wanted to know if it was possible that the information he'd given the adviser he'd met with hadn't been passed on correctly to the adviser who wrote the report.

- Mr J said he'd always made it clear to the adviser he had dealt with that he didn't want to take any risk with his pension funds. And that he hadn't agreed that he had a "balanced" risk profile because his adviser didn't go through the definitions listed in his report during the meeting.

- Mr J didn't agree with my inference that he knew he was invested in a balanced fund because he was "*pleased with the funds going up*" after the first year. He said he'd expected them to go up with a guaranteed return. And that it wasn't until the funds started to go down that he looked more closely. He acknowledged that he should've checked the original documents. But said he hadn't as he trusted the adviser he'd met with to correctly document the no risk investments he said he'd asked for.

Quilter didn't respond to my provisional decision.

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 considered Mr J's points in the order that I've listed them above.

- *He questioned why he would've wanted to invest his pension to deliver long term growth when he was hoping to retire at age 66 and had no other investments.*

The evidence shows that Mr J planned to partially retire at age 66, with the intention of earning income from the hobby he wanted part of his TFC to fund. Based on that evidence, I'm more persuaded that Mr J wanted his pension funds to be invested for the much longer term, rather than the short term, in line with what was stated in the SR.

- *He said he'd only ever personally dealt with one individual from a business with a different name from Quilter. And that he'd never dealt with the person G. He said Quilter had acknowledged that he'd never met with that person. And questioned how he could've possibly advised on how and where his pension was invested under those circumstances. Mr J wanted to know if it was possible that the information he'd given the adviser he'd met with hadn't been passed on correctly to person G.*

Mr J said he only ever met with one adviser and that this person appeared to work for a business different from Quilter. The organisation that the person Mr J dealt with worked for is an appointed representative of Quilter. Therefore Quilter is responsible for this complaint.

It's relatively common for one adviser to gather information and another to then write the report. In this case, it's clear that although person G wrote the SR, a different adviser met with Mr J and carried out the fact find and the ATR assessment.

While I acknowledge that this has caused Mr J to doubt whether the information he'd given the person he met with was correctly passed on to person G before he provided his advice, there's no documentary evidence of this. I say this because the analysis in the October 2019 SR matches that from the September 2019 ATR assessment.

- *Mr J said he'd always made it clear to the adviser he had dealt with that he didn't want to take any risk with his pension funds. And that he hadn't agreed that he had a "balanced" risk profile because his adviser didn't go through the definitions listed in his report during the meeting.*

I can't know for certain what happened at the meeting. But I can review the documentary evidence from the time of the advice. This clearly shows the risk definitions Mr J references.

I can also see that Mr J completed an ATR questionnaire on 18 September 2019, within which he answered 12 questions in order to ascertain the level of risk he was prepared to take. This recorded that he had been assessed as a balanced investor. And also contained the definition of a balanced investor.

While I don't doubt that Mr J has no recollection of having the risks explained to him, I'm more persuaded from the documentary evidence that they were covered during the September 2019 meeting. I say this because the evidence shows that a risk assessment was carried out. I think this means that the adviser must've discussed with Mr J why he was doing so and what he hoped to achieve. I'm therefore persuaded that on balance of probability the adviser would've gone through the results of the risk assessment with Mr J at the time.

I also note that the 15 October 2019 SR made it clear that Mr J had been assessed as a balanced investor and that his recommended investment therefore carried some risk. It stated that Mr J needed to carefully read and consider the detailed information Quilter had provided. And that Mr J needed to ensure that he fully understood the documents it'd provided to ensure that he understood what had been recommended to him, and why. The SR also said he should consider whether he understood the risks involved. In particular, it stated that he should be:

"*clear that although there is no certainty I will be better off as a result of transferring, I am of the view that the benefits outweigh the disadvantages*".

The SR stated that if Mr J was unclear about anything he should contact person G. And said: "*If any of the information in this letter differs from your understanding of our discussions then again, please let me know*."

I'm therefore satisfied that if Mr J had instructed Quilter that he wanted no risk, the SR made it clear than its recommendation did carry investment risk. The SR also clearly stated what Mr J should do if the recommendation differed from what he'd expected.

- *Mr J didn't agree with my inference that he knew he was invested in a balanced fund because he was "pleased with the funds going up" after the first year. He said he'd expected them to go up with a guaranteed return. And that it wasn't until the funds started to go down that he looked more closely. He acknowledged that he should've checked the original documents. But said he hadn't as he trusted the adviser he'd met with to correctly document the no risk investments he said he'd asked for.*

As I noted earlier, there's nothing in the documentary evidence to indicate that Mr J instructed the adviser he wanted to take no risk. The documentary evidence clearly stated that Quilter had assessed Mr J as a balanced investor, and explained what this meant, including providing risk warnings. The SR also explained that Mr J must consider if the recommended investment was right for him and contact Quilter if he didn't understand anything. There's also no evidence of any sort of guaranteed return being offered in any of the documents from the time of the advice.

While I appreciate that Mr J said he didn't fully review the SR until he became unhappy with the performance of his funds, I can't fairly conclude that this was reasonable. I say this because the SR was prepared less than a month after the advice. Therefore, if Mr J had reviewed it properly at this point, and if he wasn't happy with what the report said, he could've quickly contacted Quilter to correct it. His investments could've then been made in line with what he said he wanted. As he didn't take these steps, I can't fairly hold Quilter responsible for any potential mis-recording of his ATR in 2019. I also note that Quilter re-assessed Mr J's ATR as balanced in 2023.

Having considered all of Mr J's points, I remain of the view I set out in my provisional decision. And I don't uphold the complaint.

My final decision

I don't uphold this complaint for the reasons above.

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

Jo Occleshaw

Ombudsman