

The complaint

Mr B, as a trustee of Mrs B Way Flexible Inheritor Trust ("the Trust") complains about investment advice provided, and the delay in providing advice by Abrdn Financial Planning and Advice Limited ("Abrdn") to the Trust, including the associated charges.

What happened

The Trust was set up in July 2012 following investment advice provided to Mrs B by Jones Sheridan Financial Consulting Limited ("Jones Sheridan"). Mrs B's two children, Mr B and Mrs S, were appointed as trustees and therefore had the legal authority to make decisions in respect of the Trust's assets, and Mrs B was the settlor of the Trust.

Jones Sheridan were acquired in 2016 by Abrdn (previously trading as "1825"). Abrdn are therefore the respondent business for this complaint, but I will refer to Jones Sheridan when looking at the advice they provided up to 2016.

In March 2012, Mrs B met with a Jones Sheridan adviser to discuss inheritance planning. Her overall objectives were to look at ways to mitigate inheritance tax ("IHT") and increase her monthly income. The adviser made a number of recommendations in relation to Mrs B's assets, one of which was to establish a trust and invest a lump sum into the Way Flexible Inheritor Plan ("the Plan"). The aim was to meet Mrs B's objective of accumulating investments outside her estate while preserving a degree of access to the funds during her lifetime. The Plan would utilise most of Mrs B's cash deposits and her existing ISA investment, which she did not need immediate access to. The Trust was set up, and the funds of £295,000 were then put into the Plan and the full sum was invested in the Way Global Cautious Portfolio Fund.

It appears that Jones Sheridan/Abrdn met with Mrs B at least once a year from that point on, to discuss her investment needs. Mr B was sometimes present at those meetings.

One of those meetings took place in February 2015 and was attended by both Mrs B and Mr B. The adviser said that he would review the fund choice for the money invested in the Plan as returns over the previous 12 months had been poor. The value of the Plan at that time was £310,584.77.

In March 2015 the adviser wrote to Mrs B recommending that £84,400 should be switched from the Way Global Cautious Portfolio Fund immediately and a further £85,140 at the start of the next tax year, the following month. The funds would be invested 50% in the Way Absolute Return Fund and 50% in the Way MA Cautious Fund. The remaining funds of about £146,000 would remain invested in the Way Global Cautious Portfolio Fund. The adviser enclosed two fund switch request forms, which were signed by the trustees and returned so that the switches could go ahead.

The Way Absolute Return Fund closed in June 2019. Mrs B arranged to meet Abrdn for advice about how to reinvest the money that had been invested in that fund. A meeting scheduled for October 2019 was cancelled and then rescheduled for December 2019 and a

report wasn't sent to Mrs B until October 2020. The money was then reinvested in the Way Global Cautious Portfolio Fund.

Mr B, as a trustee of the Trust, complained to Abrdn in January 2021. He complained that Mrs B's attitude to risk wasn't properly accounted for when Jones Sheridan recommended the switch to the Absolute Return Fund in 2015. He also complained that the delay in advising Mrs B following the closure of the Absolute Return Fund in 2019 had caused a loss for the Trust.

In response, Abrdn offered to compensate the Trust for the loss that resulted from their delayed advice in 2019/2020 and for the trouble and upset they had caused. Mr B wasn't happy with Abrdn's response and so he brought the complaint to our service.

An ombudsman provisionally decided in November 2022 that our service didn't have the jurisdiction to consider the complaint that Mr B had raised. He found that the advice Mr B complained about – the fund switch in 2015 and the reinvestment after 2019 – was provided to Mrs B and not the Trust and that Mrs B wasn't an investor when she received the advice.

The ombudsman said the Trust might be able to raise a new complaint and potentially bring that to our service. He said the trustees instructed the investment provider to pay an adviser fee to Abrdn and declared Abrdn was their adviser. But there wasn't a direct agreement between Abrdn and the trustees to provide advice. The fee appeared to be taken by Abrdn even though they were advising Mrs B – who wasn't a trustee. The ombudsman said it could be that a service was paid for but not delivered.

Mr B, on behalf of the Trust, complained to Abrdn again in December 2022. In making his complaint he asked for:

- Confirmation of the reason regular charges were taken from the Fund and what service was provided in return for the charges, written evidence the trustees had authorised the charge deductions and details of the dates of all review meetings with the trustees together with resultant recommendations.
- Evidence of the attitude to risk assessments completed by the trustees.
- Evidence of the advice to the trustees relating to the switch of funds to the Way Absolute Return Portfolio Fund and Way MA Cautious Portfolio Fund in 2015.
- An explanation regarding the lack of advice to the trustees in connection with the proposals for the reinvestment of the funds returned to them in June 2019 following the closure of the Way Absolute Return Fund. He also asked for consideration to be given to the lost investment opportunity.

In response, Abrdn said:

- They were unable to consider the first three complaint points listed above as Mr B had made them outside the relevant time limits. They said the matter which caused Mr B to complain occurred in 2015, which was more than six years previously. They also said Mr B would have been aware that he had cause for complaint in 2018 which was over three years previously.
- While the advice provided to Mrs B following the closure of the Way Absolute Return Fund was suitable, it should have been delivered in a more timely fashion. They offered to compensate the Trust for the investment loss incurred on the basis

that the funds concerned should have been reinvested by 1 March 2020. They also offered Mr B £300 for the trouble and upset they had caused.

Mr B was unhappy with Abrdn's response and brought the complaint to our service. He said, in summary:

- In relation to Abrdn's finding that his first three complaint points were out of time, he only became aware he had grounds to complain after the ombudsman's decision in November 2022.
- Abrdn failed to distinguish between advice offered to the settlor and advice offered to the trustees. Abrdn were unable to provide any evidence of advice being provided directly at any point to the trustees or any attitude to risk assessment having been conducted with regard to the trustees.
- Amongst other things, that made it impossible for Abrdn to justify the 2015 switching of funds to the Absolute Return fund. That fund was high risk and should only have been recommended to a customer aware of and prepared to take such risks. The trustees signed the transfer requests in 2015 in good faith as a result of advice having been incorrectly provided to the settlor.

Mr B said he would like Abrdn to:

- Reimburse all advice fees taken from the Trust between its inception in 2012 and 2020.
- Reimburse the Trust for losses incurred as a result of the switch to the Absolute Return fund in 2015.
- Uphold their offer in relation to the delayed reinvestment of funds released following the closure of the Absolute Return fund.
- Uphold or increase their offer of £300 for distress and inconvenience. The stress associated with this matter has caused Mr B to be signed off work by his GP.

Our investigator looked into the complaint and didn't think Abrdn needed to take any further action. He said:

- He thought the rules allowed our service to consider the Trust's entire complaint. That was because Mr B had first raised a complaint in January 2021, which was within six years of the earliest event that was being complained about – the advice given in March 2015 and first discussed the previous month.
- In relation to the 2015 advice, on balance he was persuaded that the agreed fund switch and attitude to risk was likely the same as the trustees would have suggested or they would have objected to the advice. As such, he did not think Abrdn had acted unfairly.
- Abrdn carried out regular reviews and discussed Mrs B's circumstances. That persuaded him that the ongoing advice fee was justified. It was the trustees' role and duty of care to decide if the ongoing service was appropriate. In any case, if Abrdn refunded the fees to the Trust, they would still be entitled to the fees directly from Mrs B for the service provided to her. The key thing is that a yearly service was

provided to justify the fees.

- In relation to the advice in 2020 following the closure of the Absolute Return fund, he noted that Abrdn again obtained Mrs B's attitude to risk instead of the trustees. On the balance of probabilities, he thought it was more likely than not that the trustees would have allowed Mrs B to make the decision. He didn't think the recommendation to invest in the Way Global Cautious Portfolio was unsuitable as he thought it was consistent with the investment mandate previously agreed with Mrs B.
- He thought Abrdn's offer for the delay in providing their advice in 2020 – including financial loss, refund of adviser fees and distress and inconvenience - was fair and reasonable. It put the Trust back in the position it would have been had the money been reinvested on 1 March 2020 instead of in October 2020.

Mr B disagreed with our investigator's view and asked for an ombudsman to make a final decision. In addition to the points made when bringing his complaint to our service he said:

- It was clear that no fact find for the trustees was carried out. One of the trustees was not present at any of the meetings with Abrdn and no risk assessment was ever conducted for either of the trustees.
- It was impossible and irresponsible to say with hindsight what the trustees' attitude to risk might have been.
- It was not admissible to assume that another party (Mrs B) should pay for advice which should have been given to the trustees. The failing is on Abrdn's part, and they should bear the cost of providing advice to the incorrect party.
- The settlor and trustees are financial lay people and were guided by Abrdn who were taking money from the Trust to offer advice. The fact that things were not done properly was the fault of Abrdn and not the trustees or the settlor.

My provisional decision

I issued a provisional decision in January 2025 in which I said I was planning to uphold Mr B's complaint about the advice given in 2015. The key points of my provisional findings were:

- I was satisfied I had jurisdiction to consider the Trust's complaint in respect of the advice provided by Jones Sheridan in 2015, and the subsequent delay in providing advice by Abrdn, including the associated charges in dispute.
- I didn't think the advice given in 2015 was suitable because investing just over 25% of the Trust's assets in the Absolute Return Fund exposed too much of the Trust's assets to too much risk. If Mrs B and the trustees had been given suitable advice, I thought they would most likely have invested differently.
- I thought it was most likely that if the Trust had been given suitable advice in 2015 the funds it invested in the Absolute Return Fund would instead have remained invested in the Way Global Cautious Portfolio Fund. I said Abrdn should compensate the Trust on that basis.
- In view of my finding on the advice provided to the Trust in 2015, and my proposed redress, I did not need to make a separate finding on Mr B's complaint that Abrdn

should have provided earlier advice to the Trust about the reinvestment of funds following the closure of the Absolute Return Fund in 2019.

- I thought the Trust received the ongoing service that it had been charged for and – with the exception of the period between March 2020 and the date on which the Trust disengaged from Abrdn – I wouldn't be asking Abrdn to refund any fees to the Trust.
- I thought Abrdn's offer to pay compensation of £300 to for the distress and inconvenience caused to Mr B personally was fair and reasonable.

Responses to my provisional decision

Mr B said he was pleased my provisional decision had upheld some of the complaint points, but he continued to think that the fees paid up to 2020 should be refunded. He said:

- Although he was present at some of the review meetings, this was significantly less than 30% and Mrs S wasn't at any of the meetings and consequently didn't receive any advice.
- While I had regarded his attendance at the meetings as being in the role of trustee, this was contradicted by a previous ombudsman's decision which said it was as support for Mrs B.
- The trustees were let down by Abrdn which failed in its duty to provide advice to the trustees directly. There was never an assessment of the trustees' risk profile and so a key part of the annual reviews was not completed.
- Had timely and suitable advice been given to the trustees between 2015 and 2019 there would and should have been a realisation that the 2015 fund switch had serious issues. Action could and would have been taken to counteract those issues had the trustees been aware of them. In essence, Abrdn was taking the fees but not offering suitable advice to the trustees to protect the Trust's financial interests – a clear dereliction of duties.

In a separate submission, Mrs B made similar comments to Mr B. She said she did not believe that Abrdn were justified in taking fees for a service which was clearly not provided.

Abrdn said they accepted my provisional decision.

Jurisdiction

For completeness, I will first repeat my findings relating to my jurisdiction to look at this complaint.

Mr B, as a trustee of the Trust has now made two separate complaints to Abrdn and to our service. The crux of both complaints relates to the advice given by Jones Sheridan in 2015 that some of the Trust's investment should be switched to the Absolute Return Fund. Of the Trust's other main complaint points, one relates to the later advice following the closure of that same fund. The other – relating to the ongoing advice fees the Trust has been charged – has arisen as a result of an ombudsman's earlier decision in relation to the 2015 advice.

I have therefore looked at whether I have jurisdiction to consider a complaint from the Trust about the advice provided in 2015. In doing so, I have considered the Financial Conduct

Authority's (FCA's) rules around which complaints this service can look into, which are set out in the DISP section of the FCA's Handbook.

The rules say that to be an eligible complainant a person must have a complaint which arises from at least one of a list of relationships with the respondent (DISP 2.7.6R). That list includes if the complainant is (or was) a customer or potential customer of the respondent. So, in this case, I need to consider whether the Trust was a customer of Jones Sheridan in relation to the advice given in 2015.

As I've already noted, Mrs B met Jones Sheridan/Abrdn at least once a year to review her investments. From 2012, a significant portion of her assets had been settled in the Trust, and the trustees were responsible for decisions about the investment of those funds. I've also noted that Mr B was sometimes present at those meetings.

Mrs B met a Jones Sheridan adviser in February 2015, with Mr B also present. The meeting discussed Mrs B's investments and her attitude to risk. No changes were made to her other investments, but the adviser said he would review the funds that the Plan was invested in. He followed this up with a letter addressed to Mrs B recommending the fund switches which I have set out earlier in this decision. The fund switches were authorised by the trustees returning signed forms to that effect.

I've not seen any evidence that Mr B was asked about the trustees' attitude to risk. Rather, I think it's most likely that both the adviser and Mr B were happy to let Mrs B give her views on the risk rating she was comfortable to accept for the Trust's assets. But Mr B was present at the meeting and ultimately, the decision to authorise the fund switch that was recommended was for the trustees – and both Mr B and Mrs S signed the relevant forms as required.

On that basis, I'm satisfied that the advice was given to both the trustees and the settlor as 'customers', and that the trustees are the eligible complainants in respect of the Trust's assets under the rules governing our service. As I've noted previously, the trustees have the legal authority to make decisions about the assets held in the Trust, and indeed, it was the trustees who authorised the fund switches which were acted on by Jones Sheridan. I conclude therefore that the trustees are the 'eligible complainants' in respect of the advice that was provided concerning the Trust's assets, and that our service has the necessary consent from all the eligible complainants – we have the consent of the two trustees to look into the complaints.

I am also satisfied that the Trust's complaints have been brought in time. The complaint relating to the 2015 advice and the later delay in providing advice following the closure of the Absolute Return Fund was referred to Abrdn on 20 January 2021, and therefore within the six years' time limit set out in the rules (DISP 2.8.2R).

The subsequent complaint about advice paid for but not provided, relates to advice provided by Jones Sheridan/Abrdn to the Trust from 2012 up to 2020. The complaint was brought by Mr B following suggestions made in the ombudsman's decision dated 8 November 2022. I think that was the date on which Mr B became aware he had cause for complaint. He complained to Abrdn on 23 December 2022, which was within three years of that date and therefore on time.

So, I'm satisfied I have jurisdiction to consider the Trust's complaint in respect of the advice provided in 2015, and the subsequent delay in providing advice by Jones Sheridan/Abrdn, including the associated charges in dispute.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have not been persuaded to depart from my provisional decision on the merits of this complaint. So, I have repeated my provisional findings below and, at the relevant points, addressed the replies I received to my provisional decision.

Suitability of 2015 advice

Although I'm not looking at the suitability of the advice given to Mrs B in 2012, it is relevant to this complaint to consider her objectives in setting up the Trust and investing in the way she did.

As noted earlier, Mrs B's main objective in establishing the Trust was to mitigate her IHT liability. Most of her cash deposits, aside from a sum for her short term needs, were put into the Trust. Mrs B's attitude to risk was assessed as "3 out of 10" and the Trust's funds (£295,000) were invested in the Way Global Cautious Portfolio Fund.

The objective of that fund was described as "total investment return through conservative investment in a diversified portfolio of collective investment schemes, investment trusts, other listed securities, cash or near cash, deposits and money market instruments". The asset allocation for the fund was listed as 38% in equities, 11% in absolute return investments and the remainder in generally lower risk assets.

Mrs B, along with Mr B, met a Jones Sheridan adviser in February 2015 to review her investments. There was discussion of Mrs B's attitude to risk, which was assessed as "4 – cautious to moderate". It's not clear if that was on the same scale as the 2012 assessment but her risk profile was summarised as:

"You are prepared to take some investment risk in order to increase the chances of achieving a reasonable return but would still like to ensure that capital protection is still considered. A typical Cautious to Moderate investor will be invested in a moderate amount of fixed interest, but with a greater proportion in equities and property. At the shorter terms there may also be some cash."

The record of the meeting included a note to say that the attitude to risk "relates to IHT planning only and not to [Mrs B's] existing ISA plan." So, although the discussion was about Mrs B's attitude to risk rather than that of the trustees, I think it was most likely clear that what was being discussed was the level of risk that would be taken with the Trust's assets. Mr B was present at the meeting and so I think it's reasonable to conclude that the agreed risk profile was in line with the risk that the trustees were prepared to accept for the Trust's assets.

The note of the meeting said that Jones Sheridan would review the fund choices for the Trust due to poor returns over the previous 12 months. The adviser would write to Mrs B with any recommended changes and send forms for all of the trustees to sign.

The adviser wrote to Mrs B in March 2015 recommending that:

- A total of £169,540 (just over half) of the Trust's funds should be switched into two different funds – 50% to the Way Absolute Return Fund and 50% to the Way MA Cautious Fund. The switches would take place in two tranches, either side of the end

of the tax year, so as not to incur any capital gains tax liability.

- The remaining funds of about £146,000 remain invested in the Way Global Cautious Portfolio Fund.

The key issue I need to determine is whether that advice was suitable in view of the investment objective – to mitigate IHT – and the attitude to risk that had been agreed in February 2015. I've considered the information available on each of the three funds that the adviser was recommending:

- Just under half of the Trust's money would remain invested in the Way Global Cautious Portfolio Fund. From what I've seen that fund had broadly the same objective and make up as when the Trust first invested in 2012. According to the fund factsheet from January 2015 about 45% was invested in equities and "alternative" assets, with the remainder in lower risk assets.
- Just over a quarter would be invested in the Way MA Cautious Fund. The fund factsheet from February 2015 said, *"By following a mixed asset approach giving exposure to specialist asset classes such as hedge funds, private equity and commodities - as well as the traditional asset classes of equities, bonds, property and cash – they can maximise returns for investors in a variety of market conditions while reducing volatility."* The asset allocation shows that about 55% was in equities, 22% in "absolute return" assets, with the remainder in generally lower risk assets.
- Just over a quarter would be invested in the WAY Absolute Return Fund. The fund factsheet from January 2015 said:

"The Fund invests in the alternative investment sector and can include investments such as different styles of hedge funds, internal funds of funds, credit, real estate debt and student accommodation. The Fund can invest in the open-ended and closed-ended sectors, the latter in particular offering opportunities related to market capitalisation discounts to net asset value. Investments are selected because of their low correlation with other asset classes. The Way Absolute Return Fund is designed to take a low to medium risk approach and is suitable for several purposes. When used as a supplement to a traditional cash/equities/bonds/property portfolio it is designed to act as a diversifying performance stabiliser. However, as a standalone investment it offers a less volatile and more robust approach to generating medium to long-term growth."

The asset allocation was listed as 22.5% in credit, 17.7% in hedge funds, 15.3% in internal funds of hedge funds, 14.4% in "activist", 8.4% in student loans, 11.1% in CLOs, 3.3% in real estate debt and 7.5% in cash.

I don't think it was unreasonable for the adviser to recommend that the Trust's assets be spread across more than one fund. However, I think the switches he recommended represented a significant change in how the Trust's assets were invested and an increase in the level of risk being taken.

Prior to the advice, about 40-50% of the Trust's funds were invested in equities and alternative assets, with the remainder being in lower risk holdings. I think that was broadly in line with a cautious to moderate attitude to risk. The Way MA Cautious Fund had a higher proportion of holdings in equities and "absolute return assets". But I don't think it was unreasonable for the adviser to recommend that a portion of the Trust's assets be switched

into it alongside the existing Way Global Cautious Portfolio Fund, which had a higher proportion of lower risk assets.

However, I don't think it was suitable at the same time to recommend that just over 25% of the Trust's assets should be invested in the Way Absolute Return Fund. As noted above, that fund was made up almost entirely of alternative investments, including more than two-thirds in credit, hedge funds and "activist" assets. I think that changed the balance of the Trust's portfolio to a point where it was no longer in line with the agreed "cautious to moderate" attitude to risk, the description of which made no mention of alternative investments.

I note that the factsheet for the Absolute Return Fund said it was designed to take a low to medium risk approach to risk and act as a diversifying performance stabiliser. But based on how the fund was invested, I'm not persuaded it was suitable for the Trust's objectives and attitude to risk, particularly when the Trust's portfolio already included substantial investments in equities. I think that by investing in the Absolute Return Fund the Trust was exposing too much of its assets to too much risk and I don't therefore think the advice was suitable.

I don't think the adviser provided sufficiently clear information to Mrs B or the trustees about the investments he was recommending. When he wrote to Mrs B in March 2015, he simply referred to the poor performance of the Way Global Cautious Fund and gave the names of the two funds he was recommending. There was no reference to the asset allocation of those funds or how they would affect the overall risk level of the Trust's portfolio.

If Mrs B and the trustees had understood that about 25% of the Trust's assets would be put into alternative investments, and their overall exposure to risk, I think they would have concluded that investing in the Absolute Return Fund exposed them to more risk than they wanted to take. If they had been given suitable advice, I think they would most likely have invested differently. I have therefore decided to uphold this part of the complaint.

In assessing what would be fair compensation, I consider that my aim should be to put the Trust as close to the position it would probably now be in if it had not been given unsuitable advice. It is not possible to say precisely what the Trust would have done differently, but in deciding what I think would be fair and reasonable I have taken account of the following:

- The Trust's assets were invested in the Plan and had to be put into one of the various Way funds.
- The Trust's assets had, until 2015, been invested entirely in the Way Global Cautious Portfolio Fund and the adviser recommended that more than half remain in that fund.
- Following the closure of the Absolute Return Fund in 2019, the Trust reinvested the funds released in the Way Global Cautious Portfolio Fund.
- The Trust disengaged from Abrdn in December 2020 and Abrdn should be responsible for any loss incurred by the Trust up to that point.

I think it is most likely that if the Trust had been given suitable advice in 2015 the funds it invested in the Absolute Return Fund would instead have remained invested in the Way Global Cautious Portfolio Fund. To compensate the Trust fairly Abrdn should:

- Calculate what the Plan would have been worth on the date the Trust disengaged from them in December 2020 if the funds invested in the Absolute Return Fund in

2015 had instead remained invested continuously in the Way Global Cautious Portfolio Fund. Abrdn's calculation should take account of any charges that the Trust incurred in relation to the switch to the Absolute Return Fund in 2015 and the later reinvestment in the Way Global Cautious Portfolio Fund, which would not have arisen if the 2015 switch had not taken place.

- Compare that with the actual value of the Plan in December 2020 and, if the actual value is less, pay the difference to the Trust.
- Add 8% simple interest per year on any payment from the date the Trust disengaged from Abrdn to the date of settlement.

Advice following closure of the Absolute Return Fund

Mr B also complained that Abrdn should have provided earlier advice to the Trust about the reinvestment of funds following the closure of the Absolute Return Fund in 2019. In response Abrdn accepted that they should have provided advice sooner and offered to compensate the Trust for the loss that had resulted.

In view of my finding on the advice provided to the Trust in 2015, and my proposed redress, I do not think I need to make a separate finding on this point. The redress I have proposed assumes that the relevant funds would have remained invested in the Way Global Cautious Portfolio Fund throughout and so the issues with delayed advice would not have arisen. I won't therefore be asking Abrdn to do anything further on this point.

Ongoing charges

Mr B has said that Abrdn should reimburse the Trust for all the advice fees taken between 2012 and 2020. I have considered carefully everything he has said on this point, including his response to my provisional decision, as well as the comments from Mrs B.

On balance, I don't think it would be fair and reasonable to ask Abrdn to reimburse the advice fees that Mr B has requested. In coming to this decision, I have taken account of the following points:

- Based on the evidence I've seen I think Jones Sheridan/Abrdn carried out annual reviews with Mrs B between 2012 and 2019. So, a service was provided in return for the fees charged.
- I accept that some – and it appears, the majority - of the annual review meetings were with Mrs B alone, but Mr B was also present at some of them. Mr B has referred to being at the meetings as support for Mrs B, but he was also a trustee and any changes to the Trust's investments could only be made with the trustees' agreement. I've not seen enough evidence that the trustees had a different view of the risk they would accept for the trust's assets or would have acted differently if they had been present at more of the meetings.
- In particular, I note that Mr B was present at the 2015 review following which changes were made to the Trust's investments. As I said earlier in this decision, I think it's most likely that Mr B was happy to let Mrs B give her views on the risk rating she was comfortable to accept for the Trust's assets. Mr B could have made clear to the adviser if the trustees' attitude to risk differed from Mrs B. And ultimately, the decision to authorise the fund switch that the adviser recommended was for the trustees, and both Mr B and Mrs S signed the relevant forms to authorise it. I think it's

reasonable to say that both Mrs B and the trustees were 'customers' of that advice.

- Mr B has said that if Abrdn had advised the trustees then action could have been taken to counteract the issues that arose following the advice in 2015. But Mr B was present at the 2015 meeting and some of the meetings in later years. And I've already agreed that the 2015 advice was unsuitable and that Abrdn should compensate the Trust for any investment loss incurred as a result.

Abrdn accepted that they failed to provide meaningful advice to the Trust between March 2020 and the date on which the Trust disengaged from their service. Abrdn offered to refund the advice fees charged for that period and add interest of 8%. I think that is fair and reasonable and that Abrdn should compensate the Trust accordingly. I won't however be asking Abrdn to refund any further fees to the Trust.

Distress and inconvenience

Where complaints are made by a trust our service has the power to award compensation for distress and inconvenience experienced by individual trustees. I can see that this matter has caused Mr B personally significant distress and inconvenience. Abrdn have offered to pay compensation of £300 to Mr B and overall, I think that is fair and reasonable in the circumstances.

Putting things right

In summary, to settle this complaint fairly, Abrdn should:

- Compensate the Trust as I have set out above for the unsuitable advice in 2015 to invest in the Absolute Return Fund.
- Refund the advice fees they charged the Trust between March 2020 and the date on which the Trust disengaged from their service. Abrdn should add simple interest of 8% per year up to the date of settlement.
- Pay Mr B £300 for the distress and inconvenience this matter has caused to him personally.

My final decision

For the reasons I've explained, my final decision is that I uphold in part the Mr B's complaint.

Abrdn Financial Planning and Advice Limited should pay compensation as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 March 2025.

Matthew Young

Ombudsman