

The complaint

Mr C is unhappy with advice he says he received from Brian Mellor Financial Services Limited (BMFS).

What happened

Mr C had a long standing relationship with BMFS, he says they provided him with various pieces of advice over the years. Mr C had a personal pension plan (PPP) with Firm A, a PPP with Firm S and a pension within the Pension Protection Fund (PPF).

In December 2018 BMFS sent Mr C a letter as his usual adviser was changing. The letter set out:

“[adviser] will be responsible for managing your portfolio and any on-going technical advice supported by the relationship managers who will deal with any day to day administration, liaising with providers and answering any non-regulated queries.”

An internal note was made on the same date which said:

“category changed from membership to foundation”

BMFS have said that a foundation client doesn't pay ongoing advice fees or receive an ongoing advice service. Instead, advice is paid for on an adhoc basis. They said there's no evidence to show that this change was explained to Mr C.

In September 2020 Mr C contacted BMFS. He had noticed within his annual illustration from Firm A that his PPP would reduce in value by the time he was due to retire. Mr C asked BMFS to consider if it would be sensible for him to move it and consolidate other pensions.

BMFS considered the options available to Mr C and provided him with a suitability report on 7 September 2020. The report set out that Mr C's risk profile was level 1 – cautious and his capacity for loss was moderate.

The adviser recommended that Mr C transfer his PPP with Firm A to a different provider. The reasons for that recommendation were set out as:

*“I have recommended that you **switch** your existing pension benefits to an alternative arrangement for the following reasons:*

- There would be no financial penalty incurred on switching out of your current pension*
- Your fund value cannot be accessed as flexibly as you wish with your current provider and therefore you would like to switch to a new plan which allows all of the access options now available under the pension's freedom legislation*
- So your pension assets can be invested within an environment providing a wider range of investment choice*

- *The fund performance and range of investment opportunities available under this pension are restrictive. As such I have disregarded the option of an internal fund switch."*

On 14 September 2020 Mr C contacted BMFS to discuss the suitability report. The call note provided by BMFS states:

"He was happy how everything looked but did have a few queries on a few items which I explained to him

...

[Mr C] queries the charges as he believed them to be high. I explained that this was the standard rate for our services and that should he go anywhere else you would find the charges would be similar or if not more.

...

I explained if charges were an issue he had (sic) the other option he had was to leave it where it was as there was nothing wrong with his existing contract, it matched his attitude to risk and it was cheap on charges. It was in a lifestyle fund which would reduce risk until he planned to retire."

Mr C didn't go ahead with the recommendation. On 24 November 2020 Mr C emailed BMFS with his thoughts following the recommendation and asked for BMFS's opinion Mr C said:

"Good to talk to you again this morning,

Since we last spoke in September 2020 our thoughts are:

- *to consolidate [Mrs C]'s 2 pensions into one new pension which offers all options for future use*
- *[Mrs C] to cease paying into her new consolidated pension*
- *to consolidate [Mr C]'s 2 pensions (excluding the PPF pension) into one new pension which offers all options for future use*
- *to take 25% of the value of the 2 new pensions immediately (or from the individual pensions before they are consolidated?)*
- *to do this in the most cost effective way"*

On 25 November 2020 Mr C had a telephone call with BMFS. The internal call note states:

"[Mr C] wanted to consolidate the pensions and take the 25% tax free cash from the plans and make sure they were competitive on charges. . . .

I asked [Mr C] if there were any particular reasons why they wished to consolidate the pensions. He said that they wanted to pull them together as according to the projections the monies would start to lose value. . . .

I then proceeded to tell him the rate of return his pension had been making and that the projections are only giving him a 2.5% return where his pension has been returning more than double this. I then asked him why he wanted to take the tax free cash. He told me he would like to leave this on deposit so it wouldn't lose money. I then reiterated my previous point and told him that monies on deposit are earning less than 0.50% so this wouldn't be right to move it. We then talked about the charges for [Mr C's]. His [Firm A] AMC is 0.60% which is really competitive, I said if he were move it we would then need to apply an advisor charge and as he does not plan on retiring until 65/66 I said there wouldn't be a need to move it just yet

because he would end up paying unnecessary charges. His plan is currently in a lifestyle fund and I explained this to him. . . .

[Mr C] asked about how quick the turnaround time is from transferring [sic] the pensions to getting monies out as they may need some monies in the near future for a kitchen. I told him first to use the monies in his cash ISA and then look at pension. I have told him 6-7 weeks from start to finish. We agreed that the best course of actions [sic] is to leave things as they are and when the time comes closer to retirement that we would review the situation. I have told [Mr C] that our fees would be 2% & 0.75% and this is set."

The adviser followed this telephone call up with an email which said:

"As stated during our telephone I believe we should keep the pensions with the current providers until you are ready to retire and start drawing from them."

The email goes on to detail why – that the PPP with Aegon had performed well over the last year and the fees were competitive. And:

"The fund you are currently invested in is a lifestyle fund which will de-risk your portfolio as you move to the selected retirement age which is in 2024."

The adviser further sets out that it's best to leave the fund within the pension pots as they are achieving more than could be gained from a bank. The email finishes off by setting out:

"You are currently aware that before you can access these monies they will need to be transferred to a plan that facilitates flexible drawdown. When you are ready to reduce your hours and to start drawing from the pensions, the start of the process to the end will usually take 6-7 weeks. Our charges for this service are 2% Initial (One off) and 0.75% ongoing fee to service your pensions."

In May 2022 Mr C called BMFS, the call note states he was concerned with the drop in value of his PPP. The adviser explained how the lifestyle fund works. That there had been a change in interest rates which had affected the fund and that gilts, bonds and fixed interest rates had been effected. The note also said:

"I told [Mr C] to stick with it and go through the short term volatility"

On 22 July 2022 Mr C called BMFS again to say he was worried about the drop in his fund value. The adviser reassured him and said:

"I did not really recommend that he should be doing anything differently from what he is at the present time."

In July 2023 Mr C emailed BMFS to make a complaint. He said that his PPP with Firm A had dropped significantly in value. He explained he had repeatedly asked if he should move but each time BMFS had advised him to keep the funds where they were. He said that he was told lifestyle fund would 'de-risk' his portfolio but that wasn't true. Due to their advice, Mr C says he has lost a significant amount of his fund value.

On 16 August 2023 BMFS provided their final response. They didn't uphold Mr C's complaint. They said that they do not provide Mr C with ongoing advice. When Mr C contacted them in 2022 and 2023 they provided generalised guidance, rather than a personalised recommendation. But that general guidance was accurate – during periods of

market volatility selling those investments could crystallise the loss. Which means that investors lose out on the change for growth when the markets recover.

BMFS said they did provide Mr C with advice in 2020 but he had not followed that advice as he didn't want to pay the advisory fee as Mr C felt it was too high.

Mr C didn't agree with the response he said:

- His pensions had been actively reviewed and advice given to him since 2004. This has been by face to face meetings, email and telephone calls. Those meetings were for BMFS to provide advice to him.
- Following the 2020 recommendation Mr C asked about the fees and charging structure. He didn't say he didn't want to pay the fees. He didn't go ahead with the transfer as he was then advised not to.
- Other pension plans that he has have broadly maintained their value during the same period.

Mr C referred his complaint to this service. An investigator considered it. They didn't uphold Mr C's complaint. They said it didn't appear that Mr C was provided with ongoing advice from BMFS about his pensions. But that if the discussion did amount to advice they thought that advice was suitable in any case.

Mr C remained unhappy, he asked for an ombudsman to consider his complaint. He repeated some of the arguments he had already made. But added that he didn't know what a 'Foundation' membership was. And that he was considering consolidating his pension before any of the world events that led to market volatility.

The complaint was passed to me and I issued my provisional decision. The contents of my provisional decision should be read as part of this final decision and set out:

"Mr C has complained about advice he said he received from [BMFS] in relation to his PPP with Firm A. In November 2020, when he was told not to transfer it and then in 2022 and 2023 when he says he was told to keep the funds where they were. I have firstly considered the advice Mr C received in 2020.

Suitability of advice provided to Mr C in 2020

Mr C approached [BMFS] in September 2020 as he wanted to consolidate his pensions. And it appears he also wanted to structure them so that he could access the funds via flexible drawdown. I say that because one of the reasons a switch is recommended within the suitability report of September 2020 is because Mr C's PPP with Firm A does not have the flexible access that Mr C would like. And later in an email to Mr C on 25 November 2020 the adviser says that Mr C is aware that in order to access his fund he will need to transfer to a plan that facilitates flexible drawdown.

I've not gone on to consider if the advice that [BMFS] provided to Mr C in September 2020 was suitable. That's because [BMFS] appears to have retracted this advice by the time Mr C got back in contact with them in November 2020.

Instead, I've focused on the advice provided in November 2020.

Mr C's intended retirement age is noted as 65 within the suitability report that was completed by [BMFS] in September 2020. And he was 61 when he approached [BMFS] again in November 2020, after having time to consider the recommendation he had received. Mr C set out within an email that he wanted to consolidate his two

pensions, take 25% tax free cash. And he later said within the telephone call with the adviser that he wanted to be able to take some funds fairly quickly as he was having some work done to his home.

During the call on 25 November 2020 Mr C was clearly advised against making any changes to the pension he held with Firm A. He was provided with reasons as to why it was suitable for him to keep his PPP with Firm A where it was. He was told that moving it would incur unnecessary fees, but later in the call told that he would have to pay the advisory fee eventually anyway. So, the fee wasn't unnecessary. Mr C just had to decide at what point in time he wanted to pay it. That's because he wanted to access his funds by way of flexible drawdown which was not an available option to him with his current PPP.

Mr C's PPP with Firm A was invested in a fund that was geared towards him taking an annuity. But, that wasn't how he intended on taking his pension benefits. The fund information sets out that six years prior to retirement the funds would begin to move into Firm A's Long Gilt and later in the final year it's cash fund.

The lifestyling strategy isn't simply put in place to move funds into lower risk investments. It is aimed at giving investors more certainty about the level of annuity they'd be able to buy when they retire. That's essentially because annuity rates vary in line with interest rates. But if market interest rates fall, bonds that pay a certain rate of interest became more attractive - so their face value would likely increase. This means the value of Mr C's fund would go up and this would offset the reduction in income from Mr C getting a lower annuity rate. However, the reverse was also possible: if interest rates increased, the value of Mr C's investments were likely to decrease but the annuity rate would correspondingly increase, giving Mr C broadly the same level of income in the end despite having a lower fund. But for Mr C, who wasn't intending on taking an annuity, it seems this strategy was no longer suitable.

The adviser explained during this call that Mr C's fund was invested in a lifestyling strategy – but doesn't seem to have explained why that could be unsuitable for him. Considering it was specifically geared towards investors who wanted to take their benefits as an annuity. And Mr C had no intention of doing that. It's for this reason that I don't think the advice given to Mr C in November 2020 was suitable advice. Mr C held a pension with Firm A that had already started to be lifestyled. Which meant that the funds were being switched in preparation for him to take an annuity in around four years' time. Mr C wasn't planning on taking his benefits as an annuity – so this strategy was not suitable for his objectives.

It's not for me to set out what I think Mr C should have been advised to do when he was in touch with [BMFS] in November 2020. But I don't think it was suitable for [BMFS] to advise that he did nothing as they ought to have recognised that Mr C's Firm A PPP was in an investment strategy that was no longer suitable for him. For this reason, I intend on suggesting that [BMFS] carryout a comparison against a benchmark which reflects Mr C's low appetite for risk. That's because I intend to put Mr C back into as close a position as he would have been in, had [BMFS] provided him with suitable advice. And I think suitable advice would have incorporated moving Mr C out of a strategy (lifestyling) that was gearing him up to take his pension benefits in a way that no longer met his objectives.

[BMFS] have suggested that Mr C didn't go ahead with the recommendation they provided in September 2020 because he didn't want to pay the adviser fee at the time. I'm not sure what fee may have been applicable to Mr C had he received suitable advice in November 2020. It might have been that Mr C could have switched

the lifestyling strategy off his current plan – rather than transfer away from his provider. But, in any case I don't agree the reason why Mr C didn't take any action with his pension was because he didn't want to pay a fee. Mr C sent the email I have described above on 24 November 2020, which said he wanted to go ahead with the consolidation of his pension plans. That was after he had received the suitability report from September 2020. And the suitability report had set out what the advisory fee was. So, he already knew that there would be a charge – and what that charge would likely be. And he said he wanted to go ahead. Based on the evidence I have seen I am satisfied that had Mr C been suitably advised by [BMFS] he would have followed that advice.

[BMFS] may argue that they didn't give Mr C advice in November 2020. Because they didn't produce another suitability report, or other formal documentation. But, there doesn't need to have been formal documentation in order for advice to have been given to Mr C. I have considered the contents of Mr C's email to [BMFS] and the telephone call they had. I'm satisfied that these communications went further than the provision of general information. Mr C and [BMFS] discussed his personal situation and his retirement objectives. And [BMFS] gave their opinion on what Mr C should do. Therefore, I am satisfied that this constituted advice.

It's my current position that the advice [BMFS] gave Mr C in November 2020 was unsuitable. And had Mr C been provided with suitable advice, which ought to have considered that he no longer intended to take an annuity, Mr C would have acted on that advice. It is for this reason that I am upholding this part of Mr C's complaint.

Contact in 2022

[BMFS] say that Mr C did not pay an ongoing advice fee and so they didn't provide him with advice.

Mr C approached [BMFS] in May and July 2022 because he was concerned about the value of his PPP with Firm A. Advice doesn't have to be provided in a set way in order for it to be considered advice. For example, just because [BMFS] didn't provide Mr C with a formal suitability report following their discussions with him, does not mean advice didn't take place.

I have considered the contents of the call notes that have been provided to this service. It is clear that [BMFS] made a suggestion to Mr C about what actions he should take with his PPP. In May 2022 the adviser states that he 'told' Mr C what to do. And in July 2022 that he did not really 'recommend' he do anything different. That is not general information given to Mr C in order to facilitate him coming to his own decision about what he should or shouldn't do. I'm satisfied that both calls constituted advice.

I've not gone on to consider whether or not what [BMFS] told Mr C during these calls was suitable. That's because I intend on asking [BMFS] to redress Mr C for the unsuitable advice they gave to him in 2020. And so, Mr C's investments would have been different. It's not possible for me to know whether Mr C would still have contacted [BMFS] during 2022. Or, if he did, what they would have told him. So, I can't determine whether or not what they may have said if Mr C contacted them would have been suitable. However, as set out above I think Mr C ought to have been advised to invest differently in November 2020. And, I am satisfied that my suggestion of redress sufficiently compensates Mr C for any unsuitable advice that may have been given."

Mr C responded to the provisional decision, he agreed with it. In summary he said that he would like compensation to be paid to him directly and that he would like a certificate from BMFS in respect of any tax deducted from any interest paid on the compensation.

BMFS didn't agree with the provisional decision in summary they said:

- In December 2018 BMFS changed the service offered to Mr C which switched off the ongoing advice fees. Any advice requested by and provided to Mr C would attract a fee.
- In September 2020 Mr C approached BMFS for a review of his pension arrangements. There was a reasonable expectation that Mr C would become an active client again – recommencing fees.
- On 14 September 2020 Mr C called BMFS to discuss the suitability report he had received. During this call Mr C queried the charges and said that they were high. Which casts doubt on Mr C's position that he didn't decline to pay the fee.
- On 25 November 2020 BMFS discussed Mr C's proposals (as received via email).
 - They discussed why Mr C wanted his PCLS.
 - Suggested he could use his cash ISA instead.
 - Explained that it wouldn't be in Mr C's best interests to move his PCLS from a tax-advantaged environment.
 - Told Mr C that for them to provide advice he would need to pay a fee. Which Mr C declined to do.
 - This was an explanation and educational and not designed to be personalised advice. It would more fairly be described as an attempt to divert Mr C from a damaging outcome.
- It's not reasonable to expect BMFS to explain the differences between lifestyle strategies. Or for them to establish whether or not Firm A offered a more suitable fund arrangement, unless there was a reasonable prospect of remuneration for advice.
- Firm A may have added drawdown to their plan in the future.
- The lifestyle strategy may be suitable for Mr C as his attitude to risk is low.
- The communications in May and July 2022 were limited to discussion about fund performance and educating Mr C about his holdings. It didn't constitute advice.
- BMFS suggest a more reasonable comparator would be the PN Mixed Investment 0-35% equity index.

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.

When considering what's fair and reasonable in the circumstances, I need to take account of 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.

Having reconsidered all of the evidence and additional comments made by both parties I am upholding Mr C's complaint largely for the same reasons I set out within my provisional decision. I won't repeat the full details here – instead I will focus on the additional points that have been raised.

Remuneration for advice

Mr C received a suitability report from BMFS in September 2020 – so BMFS understood his

personal circumstances, details of his PPPs and his attitude to risk. It might have been the case that Mr C expressed dissatisfaction with the fee when asking questions about the report he had received. But, he then returned to BMFS in November 2020 to ask them to assist with the movement of his pensions – which is after he was aware of what the charge would be for BMFS's services. So, I don't agree that the conversation in September is evidence that Mr C did not want to pay BMFS's fee. Mr C returned to them after he was aware of the level of fees with the intention of moving his pension with BMFS's assistance.

BMFS have said that it's not reasonable to expect them to have carried out personalised work for Mr C without receiving remuneration for that work. And I agree. But – that doesn't mean communication with Mr C did not constitute advice just because BMFS did not receive a fee for it.

Rather than expecting BMFS to do more work, I think it would have been more appropriate in November 2020 for BMFS to either let Mr C know they would not advise him any further. Or to explain to Mr C their advice was as set out within the suitability report of September 2020, when they had carried out a full assessment of his personal circumstances. I appreciate BMFS have said they were providing information and explanations to try and stop Mr C from doing something that could be harmful. However, the communication in November 2020 went further than that. Had BMFS directed Mr C to their previous advice, or been clear they were not providing him with further advice, Mr C would have been free to decide if he wanted to pursue formal advice from BMFS, at their fee or approach another firm.

Instead, Mr C approached BMFS following the suitability report and was advised to leave his PPPs as they were. Advice he decided to follow, which for the reasons set out within my provisional decision was unsuitable in my view.

Having said all of the above I do agree that BMFS should be remunerated for advice that they provided. As such I am amending the redress calculation to include the initial advice fee. That's because, had Mr C been appropriately advised he would have been charged BMFS's advisory fee. So, it's fair and reasonable for them to deduct this from any compensatory award.

I've considered the evidence that I have been provided with. The initial advice fee is set as 2% of the value of the investment within the suitability report provided to Mr C in September 2020. And in his call with BMFS in November 2020 the adviser reiterated that their initial advice fee would be 2%. As such I think it's fair for a deduction of 2% to be made to valuation of Mr C's pension at the start date of the calculation as set out below within the redress section.

Advice in 2022

I appreciate BMFS's comments about the communications they had with Mr C in 2022. I have set out in my provisional decision why it is my view that these interactions constitute advice. As set out above – it would have been more appropriate for BMFS to explain to Mr C the limit of their communications if they were not intending to provide him with advice.

I've considered if Mr C would still have contacted BMFS if they had provided him with suitable advice in November 2020. And, I think it's reasonable to conclude that he would have. I say that because the financial landscape at the time was volatile and changing rapidly. This coincided with the lead up to Mr C's anticipated retirement and so I think he would have had an active interest in his pensions. And he did - which is evidenced by the contact Mr C made with BMFS on numerous occasions for their advice and guidance.

Other considerations

BMFS have suggested a different comparator in relation to redress. It is not my role to establish exactly how Mr C would have invested had he received suitable advice. And it's not possible to retrospectively do so. Instead, my role is to place Mr C back in as close to the position he would have been in had he received suitable advice. I consider a 50/50 split of FTSE UK Private Investors Income Total Return Index and the average rate from fixed rate bonds to be a suitable method for Mr C's circumstances. It's a fair comparator for an investor who had a low attitude to risk, where there would be some risk to some of the capital. As such I'm not changing the suggested comparator within the redress calculation.

Mr C has asked for compensation to be paid to him directly. But, the purpose of compensation is to put Mr C back into as close to the position, he would have been in had he received suitable advice. And that would have been that the funds this complaint relates to would have been held within a pension plan. As it's Mr C's pension monies that have suffered the loss this complaint concerns and I remain satisfied that, subject to what I've said below about existing protections or allowances, if possible redress monies should be paid back into Mr C's pension. So, I remain satisfied that the approach to redress I've set out below is the fair and reasonable approach to redress in this case.

Putting things right

Fair compensation

My aim is that Mr C should be put as closely as possible into the position he would probably now be in if he had been given suitable advice.

I think Mr C would have invested differently. It's not possible to say precisely what he would have done, but I'm satisfied that what I've set out below is fair and reasonable given Mr C's circumstances and objectives. I think it's fair to allow 14 days for the implementation of the suitable recommendation from Mr C's call with BMFS on 25 November 2025, in order for any changes to have been made based on the advice given. So, I have suggested that the compensation calculation should begin from 9 December 2020.

What must BMFS do?

To compensate Mr C fairly, BMFS must:

- Compare the performance of Mr C's investment with that of the benchmark shown below. If the actual value is greater than the fair value, no compensation is payable.

If the fair value is greater than the actual value there is a loss and compensation is payable.

- BMFS should also add any interest set out below to the compensation payable.
- If there is a loss, BMFS should pay into Mr C's pension plan to increase its value by the amount of the compensation and any interest. The amount paid should allow for the effect of charges and any available tax relief. Compensation should not be paid into the pension plan if it would conflict with any existing protection or allowance.

If BMFS is unable to pay the compensation into Mr C's pension plan, it should pay that amount direct to him. But had it been possible to pay it into the plan, it would have provided a taxable income. Therefore the compensation should be reduced to

notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount - it isn't a payment of tax to HMRC, so Mr C won't be able to reclaim any of the reduction after compensation is paid.

The notional allowance should be calculated using Mr C's actual or expected marginal rate of tax at his selected retirement age.

It's reasonable to assume that Mr C is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr C would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.

- Pay Mr C £250 for the distress he was caused when he saw his pension fund reducing so close to his retirement age.

Income tax may be payable on any interest paid. If BMFS deducts income tax from the interest, it should tell Mr C how much has been taken off. BMFS should give Mr C a tax deduction certificate in respect of interest if Mr C asks for one, so he can reclaim the tax on interest from HM Revenue & Customs if appropriate.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
PPP	No longer in force	For half the investment: FTSE UK Private Investors Income Total Return Index; for the other half: average rate from fixed rate bonds	9 December 2020	Date of final decision	8% simple per year from the date of the 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.

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, BMFS 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 withdrawal from the portfolio 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 BMFS totals all those payments and deducts that figure at the end to determine the fair

value instead of deducting periodically.

BMFS should make an initial deduction of 2% of the PPP fund value as at the calculation start date. This which reflects their initial advice fee.

Why is this remedy suitable?

I've chosen this method of compensation because:

- Mr C wanted capital growth with a small risk to his capital.
- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to his capital.
- The FTSE UK Private Investors Income **Total Return** index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It's a fair measure for someone who was prepared to take some risk to get a higher return.
- I consider that Mr C's risk profile was in between, in the sense that he was prepared to take a small level of risk to attain his investment objectives. So, the 50/50 combination would reasonably put Mr C into that position. It does not mean that Mr C would have invested 50% of his money in a fixed rate bond and 50% in some kind of index tracker investment. Rather, I consider this a reasonable compromise that broadly reflects the sort of return Mr C could have obtained from investments suited to his objective and risk attitude.

My final decision

I uphold the complaint. My decision is that Brian Mellow Financial Services Limited (BMFS) should pay the amount calculated as set out above.

BMFS should provide details of its calculation to Mr C in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2025.

Cassie Lauder
Ombudsman