

## The complaint

Mr G is unhappy that True Potential Investments LLP (True Potential) has not provided him with enough information about the charges on his self-invested personal pension (SIPP) for him to be confident that these charges are correct.

He would like True Potential to provide him with the appropriate information.

## What happened

I have reviewed all the evidence provided by both parties. I have not reproduced all of this in this decision but concentrated on what I believe to be the most relevant parts.

Mr G's SIPP contained a total of seven different investment funds, each containing a number of different assets. One of the asset classes contained in each fund is listed as 'cash and cash equivalents'.

On 4 May 2024, having reviewed the information on his online account, Mr G contacted True Potential to ask for a copy of the Annual Costs and Charges statement (ACC) for 2023. He wanted this information to enable him to check the level of charges True Potential had made on his account.

On 15 May 2024 True Potential withdrew the ACC for 2023 as it had discovered what it described as:

*A minor anomaly identified in the underlying data used to calculate the statement totals.*

True Potential informed Mr G of the withdrawal of the ACC on 17 May 2024 and it informed him on 20 May 2024 that an amended ACC would be sent to him within the next four weeks.

Mr G also asked for information relating to the cash holdings within his investment including whether he held an account with the bank that True Potential used (Bank A).

True Potential replied to this query the following day. It confirmed that it used Bank A to hold client money and for transactions but that it did not hold an account in Mr G's name. On 29 May 2024 True Potential clarified that it used a different organisation (Bank B) rather than Bank A to hold Mr G's deposited cash.

Mr G subsequently contacted True Potential a number of times during May and June 2024 asking for details related to the charges and the 'cash equivalent' holdings within his funds. True Potential responded to each of these, although it was unable to provide some of the information Mr G had requested. During this time Mr G also asked for information and evidence relating to the interest gained by his cash deposits.

On 2 July 2024, Mr G complained to True Potential about the length of time taken to produce a corrected ACC and True Potential's inability to provide him all the information he asked for relating to his cash and cash equivalent fund holdings. True Potential finally issued Mr G an amended ACC for 2023 on 3 August 2024.

True Potential investigated Mr G's complaint and responded on 16 August 2024, upholding his complaint. In terms of the inaccuracies of the ACC, True Potential said:

*the performance fees are part of the overall Product costs outlined in your statement. These costs are deducted from the from the value of your investment units on a daily basis by our fund managers, and the information is relayed to True Potential. Once received True Potential calculate the monetary value of the deductions made by the fund managers and provides this to clients via the Costs & Charges Statement. In April 2024, the calculations undertaken to demonstrate the monetary value of specifically the performance fees was found to have been incorrect and the relevant statement was withdrawn in order for us to recalculate the monetary value of the fee. To clarify, the fund managers did not provide us with any further information for us to perform recalculations and the Performance Fee collected by them throughout 2023 has not changed but has now been correctly demonstrated in the newly provided statement.*

*I can confirm that the performance charge demonstrated on your Annual Costs and Charges Statement for 2023 have not been deducted from you but instead have been misrepresented within the document.*

In relation to Mr G's queries about the cash and cash equivalent products, True Potential explained:

*.....Cash / Cash Equivalent portion of your investment portfolio, as previously described, some of the Cash / Cash Equivalents are held with [Bank B] as depositary cash and generates a variable amount of interest on a daily basis.*

In summary, True Potential said it had failed to provide the best customer service and offered Mr G £250 compensation in respect of his distress and inconvenience.

Our investigator reviewed the evidence provided by both Mr G and True Potential and felt that the compensation that had been offered was fair in the circumstances of the complaint.

Mr G responded to our investigator's view to say that he still felt that True Potential had not demonstrated that he had not been incorrectly charged as there were differences between the two ACC statements for 2023 he had received. He also felt that True Potential had not provided any evidence to show what had caused the error on the original ACC for 2023.

Mr G also raised that he was unhappy that he had no confidence that True Potential had not been incorrectly charging him since 2021. Our Investigator clarified with True Potential that it had not looked at charges for previous years when it had considered Mr G's complaint but gave its permission for this service to consider this issue.

Our investigator then issued a second view, which repeated their belief that the compensation True Potential had offered Mr G was fair in the circumstances of this complaint.

Mr G remained unhappy and so the complaint has been passed to me to make a 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.

Having done so, I have reached the same conclusion as our Investigator and do not uphold Mr G's complaint. I also agree that the compensation True Potential has offered Mr G is fair and reasonable in the circumstances of this complaint.

I can appreciate that Mr G will be disappointed with this, so I will explain now how I have reached my conclusions.

Firstly, I think it's important to reflect upon the role of this Service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we expect a business to fairly compensate a customer for any financial loss and distress and inconvenience they have suffered as a result.

I consider that this complaint had three main elements. Firstly, Mr G was not confident that the charges True Potential had made to his account were correct and asked it to provide him with evidence to support these charges.

Secondly, he had also asked for details of the cash & cash equivalent assets held within his SIPP, including how a specific cash based asset's return directly impacted the value of his pension during the period.

Lastly, he was unhappy that True Potential had not provided him evidence to show the reason for the inaccuracy shown on his original ACC for 2023.

I shall look at each of these elements in turn.

Firstly, looking at the charges, that True Potential made to Mr G's SIPP, I can see that he is most concerned that he has not been provided with evidence to show that he has not been charged incorrectly. The first of the fees that apply to Mr G's SIPP are the platform charges of 0.4% per annum on all assets in his SIPP. These charges are shown on page 5 of the Terms and Conditions of his policy. This document also states:

*In addition to the above, there will be costs and charges related to the underlying investments. Please refer to your Portfolio Factsheet or Fund Factsheet and Personalised Illustration document for further details.*

*As the Platform Fee is charged as a percentage of your investment, the amount that you will pay will vary based on the value of your investment.*

I have reviewed the factsheets relating to each of the investment funds contained within Mr G's SIPP and it is apparent to me that a number of investment managers' products are represented, which is what I would expect to see in a diversified fund. Each of these fund factsheets contain information relating to the *Ongoing Charges Figure* (OCF) and any applicable entry or exit charges that would apply when buying or selling units in each.

Mr G has asked for further detail relating primarily to the charges made by the investment managers and how they are applied to his SIPP.

On 7 August 2024, True Potential wrote to Mr G on this subject. It said:

*Costs & charges relating to activities undertaken by our fund managers, or product costs, are not demonstrated via your Client Site, as mentioned below, due to being deducted from the value of the investment units on a daily basis. As such these costs are not taken via a monetary value and instead through the units of your investments meaning there is no transaction that occurs to display via your transaction statement.*

I've considered this point and agree with True Potential that it is not possible for it to provide the detailed breakdown that he has asked for. I find that the statement it made on 7 August 2024 accurately represents the fact that the charges for each are not levied as a monetary amount, but instead are contained within the unit price on a daily basis.

Given this, I can't see that True Potential has done anything wrong by not providing the detail that Mr G has asked for.

Moving on to look at the second aspect to this complaint, in which Mr G asked for details of the cash and equivalent assets, including the returns made over the period covered by the ACC for 2023, True Potential noted:

*However, it is worth noting that our fund managers also directly purchase short-dated bonds which are classified as cash. These don't have a total return figure over the calendar year given the nature of them. Over the course of the year various bonds will have matured or been sold prior to maturity which won't be captured in this snapshot*

As our investigator explained, it is not the role of this service to review or audit the investment choices that fund managers make in terms of asset investments. Having said that I would consider the use of short-dated bonds and the acquisition and disposal of bonds both at and before maturity would be normal in the industry. As the fund managers will include the returns generated by using cash and cash equivalent assets in this way, the returns achieved will be included in the overall performance figures. Consequently, I can't see that True Potential has done anything wrong in not being able to provide this level of detail.

The final element of Mr G's complaint, that True Potential has not provided evidence that the inaccuracy in the ACC for 2023 was an internal administration error and asked for this to be provided to him. While I can appreciate that Mr G has found it hard to accept True Potential's assurance that this was the case, I have not seen any evidence to contradict this. On balance, I find that this explanation is entirely plausible and that it would not be fair and reasonable for me to ask True Potential to do any more in this respect.

Where True Potential did make an error was in issuing Mr G with an incorrect ACC for 2023 and then failing to provide him with the correct information within the time period it set itself. I also agree in the circumstances of this complaint, the sum of £250 is appropriate compensation for the distress and inconvenience Mr G has been caused by True Potential.

### **My final decision**

For the reasons given above, I do not uphold Mr G's complaint.

True Potential Investment LLP should do no more than it has already offered to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 July 2025.

Bill Catchpole  
**Ombudsman**