

The complaint

Miss G complains about the service provided to her by a Partner of St. James's Place Wealth Management Plc ("SJP").

What happened

In March 2023 Miss G was provided with investment advice by an SJP Partner. It was recommended she invest £105,000 into an SJP 'Unit Trust Feeder', from which monies would then be moved each year into a stocks and shares ISA.

The investment was set up with 80% in the Money Market fund with the balance invested across seven other funds focussed on a variety of assets, 3% of which was invested in the SJP Property fund. The intention was to gradually move monies from the Money Market fund to the other funds over the coming months, given the market volatility at the time. It was also agreed that Miss G would be provided with SJP's ongoing advice service at an annual cost of 0.5% of the value of the investments.

Over the course of the next 18 months there were various communications and interactions between Miss G and the Partner, with some changes made to investments as planned. But by October 2023 Miss G had become increasingly concerned about the investment performance, including the impact of the costs. She indicated to the Partner her intention to move some of the investments into cash, the stocks and shares ISA to a cash ISA, and potentially more, if not all, of the money out of the investments.

Following a discussion in early November 2023 Miss G did decide to disinvest and transfer the money. This process went ahead, but the Property fund had been suspended on 20 October 2023, so that part of the investment couldn't be accessed. Miss G complained to SJP in April 2024 about the Partner and the service she'd received from her, particularly concerning the Property fund situation, and the costs incurred.

Having received no final response, Miss G referred the complaint to this service in July 2024. SJP eventually issued a final response in November 2024, not upholding the complaint and saying, in brief, it was satisfied the Property fund issue had been dealt with properly, reviews carried out as they should've been, and cost information provided at the outset. It also noted a data protection concern Miss G had raised but concluded there was no evidence to support it. SJP did, however, note that ongoing charges hadn't been stopped as they should've been on 3 April 2024 when Miss G ended the relationship, so it explained it would refund the charges incurred after this date.

Our investigator issued his view of the complaint in February 2025. He explained that he didn't think it should be upheld, for broadly the same reasons as those given by SJP. In addition, he considered the general suitability of the initial advice and concluded it had been consistent with Miss G's circumstances and objectives.

Miss G didn't accept the investigator's view. So, as no agreement could be reached, the matter was referred to me to decide.

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.

It's clear Miss G has very strong feelings about her complaint. She's provided detailed submissions to support it, which I've read and considered in their entirety. However, I trust she won't take the fact that my findings focus on what I consider to be the central issues, and that they're expressed in less detail, as a discourtesy. The purpose of my decision is not to address every point raised in detail, but to set out my conclusions and reasons for reaching them.

Where matters are unclear or in dispute, I've reached my conclusions on the balance of probabilities – in other words, what I consider more likely than not to have happened based on the evidence available and the wider circumstances.

As noted, the investigator considered the general suitability of the original recommendation made to Miss G alongside her other concerns. In her response to his view, Miss G made clear that suitability was not the focus of her complaint. Rather, it was about the behaviour of the partner, her poor performance, a lack of information, data protection issues and distortions of the truth. As such, I won't comment further on the suitability of the advice, other than in the respect of the Property fund element.

The Property fund was one of the seven funds recommended to form the 20% 'bespoke' part of the portfolio, which would gradually be increased with money moved from the 80% holding in the Money Market fund. I think it's fair to say that recommendation of the Property fund is at the heart of the complaint, although I recognise the various other issues raised.

In the suitability report detailing the recommendation the adviser wrote that because of Miss G's previous involvement with the property market, "*you also liked the idea of investing into the Property Fund, which will help provide further asset diversification*". The report went on to say, "*The Property Fund invests mainly in assets which can be difficult to sell at short notice, so you may not be able to sell or switch out of this investment when you want to.*"

I accept the word 'suspension' wasn't used in detailing the additional risk associated with the Property fund. But what was said in the report, along with in the Fund Factsheet regarding liquidity, made clear that an investor might not be able to sell when they wanted to, which is ultimately what happened.

The adviser has said that the fund's previous temporary suspensions were discussed as background, but Miss G says that's not the case. Not being privy to the discussions I'm unable to make a definitive finding on whether the suspensions were mentioned. But even if I assume they *weren't* mentioned, on balance, I don't think that if they had been it would've prompted Miss G to not invest in the fund. Not giving her background, the relatively small initial commitment of 3% and the fact that the previous suspensions had been rare, temporary and at times of unprecedented financial volatility.

I note a change was made to the portfolio a few months after the initial advice, in August 2022, to move money from the UK Income fund to avoid some charges. And this increased Miss G's holding in the Property fund. But I think the same reasoning as to why this was suitable applies. And at the time, 64% of the investment was still held effectively as cash, in the Money Market fund, limiting the overall risk.

Clearly the timing of the subsequent suspension of the Property fund in October 2023 was unfortunate, as it came at a time when Miss G was reevaluating the investment as a whole

and thinking about taking her money out. But I don't think SJP generally, or the Partner specifically, acted incorrectly in communicating the suspension. It's standard industry practice that notice of actions like fund suspensions is not provided in advance, to avoid a run on the fund. So, regardless of the Partner's personal availability and ability to respond to Miss G, she wouldn't have been able to alert her in advance of 20 October 2023.

I accept the letter from SJP being dated 10 days after the suspension seems like an unnecessary delay, particularly in the circumstances of Miss G's communication to the Partner of 23 October 2023 explaining the possibility that she might withdraw from her investments. But even if the letter had been sent sooner it would still have been after the suspension, so couldn't have influenced Miss G's actions. I note that in her 23 October 2024 communication she'd said that she intended to wait until the Bank of England base interest rate decision of 2 November 2023 to decide about withdrawing.

Miss G has highlighted that the Partner said she told other clients about the suspension. But I think the Partner was simply explaining that for some clients who she was aware were reliant upon an imminent withdrawal for specific purposes, such as a house purchase, she pro-actively contacted them (but still after the suspension) because they were likely to have to amend their arrangements. The Partner wasn't aware at that time that Miss G would be withdrawing all her investment.

Turning to the other issues raised by Miss G, clearly the cost of the advice and its impact upon the performance of the investments is another major concern for her. However, I'm satisfied that all costs, both for the initial advice and the ongoing advice service were set out in advance for Miss G in the Services and Costs Disclosure Document and illustration, provided along with the recommendation report.

I understand these costs had a disproportionate impact upon the performance of the investments during the 18 months they were held for. But as the costs are 'front-ended' that isn't unusual, particularly when market performance is poor, as it was here, following the start of the war in Ukraine and other global events. It was agreed at the outset that the investment horizon would be five to ten years, over which market volatility and cost impact would likely even out. The adviser indicated a potential 7-8% return (although I note the later reference to a slightly lower figure of 6-7%), which in either case I don't think was unreasonable for the intended term.

Miss G has also raised the lack of ongoing service provided by the Partner. The 0.5% charge would generally be expected to pay for an annual review during which the ongoing suitability of the investments would be considered. As Miss G was only invested for 18 months, with her service cancelled several months after disinvestment, in any event I would only expect there to have been one review.

However, I can see there were letters sent to her three times during 2023 regarding review discussions held on 10 January, 16 May and 1 November 2023 respectively. I appreciate she feels these didn't constitute full and proper reviews. But there was no requirement the meetings be in person (although I note Miss G confirms she did meet the Partner face to face, although on another occasion). Overall, given the relatively short period during which Miss G was engaged with SJP I think the evidence supports her having been provided with a reasonable level of ongoing service. I understand she may now, with hindsight, feel the Partner should've taken different action. But I don't think there's any basis upon which I can direct a refund of the charges.

It was unfortunate that SJP in its final response referred to a refund of ongoing charges taken after Miss G had ended the relationship on 3 April 2024 as an offer of goodwill to resolve the complaint, as clearly this amount was due to Miss G in any event, as it simply

shouldn't have been taken. But ultimately, payment of the refund means the issue is corrected and I note SJP has made further acknowledgement of the issue, although I understand Miss G remains unhappy with how it's been handled.

Regarding the data protection issue raised, the evidence is limited such that I don't think I can reasonably reach any conclusion as to what, if anything, may have gone wrong. But in any event, I think that given the nature of the matter would in any event be best directed to the Information Commissioner's Office.

In summary, while I recognise Miss G's strength of feeling regarding this matter and her disappointment with the performance of her investment, I don't feel there are grounds on which I'm able to uphold any element of the complaint. Considering the matter impartially as I'm required to do, my view is that the Partner acted generally reasonably in providing a service to Miss G.

I note that with the continuing winding up of the Property fund there are some ongoing issues that remain in dispute. But for clarity, I've not considered them here and they would need to be raised formally with SJP in the first instance should Miss G remain unhappy.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 15 August 2025.

James Harris
Ombudsman