

The complaint

Mr H says St James's Place UK plc (SJP) moved him to an unmanaged service inappropriately and that despite public disclosure there had been problems with the transparency of its fees, the firm had failed to address his concerns about this.

What happened

In 2018 SJP advised Mr H to transfer a pension to its Retirement Account.

In September 2021 Mr H complained to SJP about the 2018 advice because it had been known at the time his circumstances had changed, and this ought to have been taken into account. Over the following months, correspondence with SJP continued and Mr H raised additional concerns, including about the transparency of its fees, the lack of ongoing advice reviews and the potential consequences of this.

After unsuccessful attempts at settling Mr H's case, SJP issued a final response letter on 17 March 2022. This accepted a key element of his complaint, that he'd received no advice despite paying fees. It also provided an explanation of the various fees that had been chargeable, confirming that its 'improved' terms agreed at the outset had been applied correctly and in accordance with the agreement he'd entered into.

To put things right SJP offered Mr H a payment of around £58,000. This represented the difference between the value of his fund in March 2022 and what it might have been worth had it been invested in a benchmark fund consistent with his risk appetite.

SJP's proposed settlement also provided that should Mr H remain unhappy with the service it provided it would waive the early withdrawal charge that would otherwise be payable on the transfer of his Retirement Account to another provider, if he did so within 6 months of the date of its final response.

Finally, SJP also offered Mr H £1,000 in recognition of the time it had taken to resolve his complaint, and for the distress and inconvenience it had caused him.

SJP emailed Mr H on 22 June 2022 informing him that its ongoing advice charges had been turned off.

Mr H accepted the offer contained in SJP's final response on 12 September 2022. And he transferred his funds away from the firm in January 2023.

On 11 March 2024, Mr H complained to SJP again. He said:

"In 2021 I raised a number of concerns with SJP the majority of which were eventually settled in my favour. SJP however categorically refuted that the charges levied were opaque and had been incorrectly charged. Secondly, without my consent I was switched to an unmanaged service and when I raised concerns about this I was dismissed."

"Given the public acceptance of issues with your charging methodologies I wish that my complaint is re- opened to address the points on charging and to also clarify why I was

switched, in advance of the transfer of my business from SJP, to an unmanaged service without my consent”.

SJP issued a response dated 9 May 2024. It said it wouldn't be reopening the initial complaint as:

“...your most recent correspondence does not appear to bring forward any materially different issues to those previously considered’.

Mr H didn't agree. He said SJP failed to detail the potential impact of him being in an 'unmanaged' service or demonstrate he had the skills, confidence or understanding to accept the risk of being in such a position. He also noted problems with SJP's approach on fees and charges weren't publicly understood until 2023. So, he said the matters he was raising now weren't known when SJP considered his earlier complaint.

Mr H brought his case to this Service. SJP provided its business file stating it considered his complaint points had already been reviewed and responded to in its final response to Mr H in March 2022. And as more than 6 months had elapsed since that letter of 17 March 2022 his new complaint had been raised too late.

An Investigator reviewed Mr H's complaint. He concluded that the element of his case relating to fees had been brought out of time for this Service to consider it. However, he disagreed with SJP that the other element of his complaint was out of our jurisdiction, he didn't think the matter of it turning off the ongoing advice on Mr H's account had been dealt with previously.

The Investigator went on to consider SJP's actions in relation to withdrawing the ongoing advice service on Mr H's pension. He concluded that its actions had been reasonable and he didn't uphold this part of his complaint.

Mr H disagreed with the Investigator's conclusions. He said while he agreed to SJP turning off the fees for ongoing advice at no point did he consent to being moved to an 'unmanaged' service. Amongst other points, he says he has consistently sought a managed service for his pension. He said SJP's removal of the service was highly unusual, and it knew he didn't have the skills or knowledge to self-manage his funds.

In relation to the fees charged by SJP, Mr H said:

“My points on the charges for the products held remains. At no point have I had a statement that clearly shows that the product charges have been levied correctly as such I do not understand how this complaint can have been closed. As stated in your reply I let this pass in accepting closure of the original complaint as SJP simply refused to provide clear and concise information.”

“However subsequent to that complaint being closed I still had products with them and therefore I remain concerned and the public statement by the firm increased that doubt, hence the request for information, which has been ignored/denied...Having publicly stated they have incorrectly levied charges on customers I do not understand why it is acceptable for a firm to refuse to provide this it certainly does not generate trust with the firm and arguably the wider protocols.”

As both parties couldn't agree with the Investigator's view, Mr H's complaint has been passed to me to review afresh and provide a final 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.

The rules about complaining to the ombudsman set out when we can – and can't – look into complaints. In this decision, I've explained what this means for Mr H in respect of his complaint about SJP's fees.

We can only deal with complaints that fall within the remit of the rules set by the Financial Conduct Authority. The relevant rule here is DISP 2.8.2. This says our Service can only investigate complaints referred to us within 6 months of a financial business sending its final response letter. The DISP rules go on to explain if a complaint is referred to us outside of this time frame we can get involved if the financial business consents to our involvement or the delay in referring the complaint to us was caused by exceptional circumstances.

SJP sent Mr H its final response letter for his initial complaint - which covered his concerns about fees - on 17 March 2022. This went into some detail about the charges levied in relation to his Retirement Account. It identified certain improved terms that he'd benefitted from. It indicated that after checking, all charges had been applied in line with the original agreement.

Further, in its final response letter from March 2022 SJP made the following remarks about how it had calculated his redress in relation to fees:

"In addition, the rates do not include any initial or ongoing product or advice charges – so the comparison is favourable and removes any debate there may be about the actual charges incurred on the investment complained about."

SJP also agreed to waive any early withdrawal charge should he decide to move his pension funds elsewhere.

While Mr H may've felt at the time the issue of fees had not been adequately addressed by SJP he has indicated to this Service that he decided to accept the offer to draw a line under what had happened.

Mr H brought his complaint to us in November 2024. In respect of his concerns about fees, because this was more than 6 calendar months from SJP's original final response letter, it is too late for us to consider. SJP didn't consent to our considering it out of time. And I've not seen anything in the evidence provided by either party to show there were exceptional circumstances I should take into account to set aside the 6 month time limit in this case.

I realise that Mr H will be disappointed by my decision, but I can't consider matters which are outside the jurisdiction of this Service.

I'll now turn to Mr H's complaint about SJP's actions in stopping the ongoing advice fees on his Retirement Account.

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

Where there's conflicting information about the events complained about and gaps in what we know, my role is to weigh the evidence we do have and to decide, on the balance of probabilities, what's most likely to have happened.

I've not provided a detailed response to all the points raised in this case. That's deliberate; ours is an informal service for resolving disputes between financial businesses and their customers. While I've taken into account all submissions, I've concentrated my findings on what I think is relevant and at the heart of this complaint.

I'm not upholding Mr H's complaint. I'll explain why.

I've considered the extensive regulation around the services like those performed by SJP for Mr H. The FCA Handbook contains twelve Principles for businesses, which it says are fundamental obligations firms must adhere to (PRIN 2.1.1 R in the FCA Handbook). These include:

- Principle 2, which requires a firm to conduct its business with due skill, care and diligence.
- Principle 6, which requires a firm to pay due regard to the interests of its customers and treat them fairly.
- Principle 7, which requires a firm to pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

So, the Principles are relevant and form part of the regulatory framework that existed at the relevant time. They must always be complied with by regulated firms. As such, I need to have regard to them in deciding Mr H's complaint.

While SJP was dealing with Mr H's complaint, in January 2022 it sent a message to him about turning off his ongoing advice charges. The exchange is recorded in the following terms:

SJP to Mr H on 18/1/22

"We'd like to turn off the ongoing advice charge on your Retirement Account and I'd be grateful if you could confirm your agreement, in response to this message."

Mr H replied:

"You can of course switch off any fees that is your decision but it doesn't indicate that I have, or will accept the proposal that you have made."

SJP responded:

"Turning off the ongoing advice charge has no relevance to your complaint but simply represents a saving to you, on the basis that you won't be requiring advice from our Partners, my assumption being that you will at some point be looking to move your account away from SJP. However, if that turns out not to be the case and you're in a position where advice can be provided and you require it, whether from [X] or another Partner, the charge can be switched back on."

SJP confirmed the position with Mr H on 22 June and fees were stopped. SJP said this was in accordance with his stated intention to transfer his business to another provider.

In his last submission to this Service Mr H made the following remarks about this aspect of his complaint:

"I did agree to SJP switching off the OAC, however at no point did I consent to being moved to what we have called an 'un-managed service'. Indeed I directly state that it doesn't mean I accept any proposal made..."

“[SJP’s] subsequent statement it ‘simply reflects a saving to you’ is categorically wrong and deliberately misleading and cannot simply be ignored because it suits SJP narrative. What has transpired is that the switching off of the fee fundamentally changes the service offering which is not set out at all. The subsequent sentences are contradictory to the opening statement and whilst I can understand a perspective that the charge can be switched on if advice is required the fact is that after this email there is no consent from me to change the service I had signed up for. SJP simply went ahead and did things, which went far further than ‘simply reflecting a saving to me’. Despite the following facts:

- The acceptance of the complaint closure that I signed did not agree to moving to an un-managed service, it didn’t even set it out.*
- I received no confirmation at any stage that I had been moved to an un-managed service as proposed by SJP. I am still not sure when this happened.*
- I signed no T&C’s accepting the risk of such a service.*
- I was given no details of how to manage the funds in a ‘un-managed service.’”*

Mr H made further points including that he’d consistently sought a managed service for his pension and it was inconceivable he would’ve accepted the risk of not having access to advice. He says SJP knew his circumstances and that he would’ve required services such as ensuring his funds remained invested in line with his appetite for risk. He says he didn’t have the information or knowledge to be able to self-manage his pension.

SJP took a different view. It said:

“...It is evident that the client confirmed St. James’s Place (SJP) could turn off fees without seeking to question this. Furthermore, within the exchange that followed, it was clarified and highlighted that our advice would no longer be provided. To that end, we also consider it was made sufficiently clear that ongoing advice would no longer be available, unless specifically requested. In turn, this could have been queried at the time.”

“...whilst SJP, in line with regulatory requirements, has a process in place for Ongoing Advice Charges to be switched off, when this service is not being utilised, there is not a specific requirement placed upon us to assess a client’s capacity or capability to have the ongoing advice reviews suspended. This is itself, was a decision that needed to be made by the client.”

“It must be noted that following Ongoing Advice Charges being switched off we write to clients to confirm the removal of this service. We also make it clear how this service can be reinstated if required, along with the associated charge. Importantly, we explain that when this service is stopped we will no longer be able to provide any financial advice. In turn, client’s may need to make alternative arrangements to check the suitability of their plans.”

Mr H acknowledges he accepted that ongoing advice charges were no longer going to be taken from him. And I think the average person would reasonably have understood this would mean they would no longer have access to the services the fees had entitled them to.

The cancellation of the ongoing advice fees on Mr H’s Retirement Account didn’t mean his funds were no longer being managed, they were. But it did mean if his circumstances changed from that point onwards, for example his capacity for loss, retirement plans or attitude to risk, then he’d have needed to approach the firm for advice and, of course, to have paid for any services.

Alternatively Mr H could’ve approached a different firm for help. I note a thread in the correspondence between the parties in 2022 was about him moving his funds to a different

provider given the understandable breakdown in trust with SJP. And that is ultimately what he did in January 2023.

Having considered both sides of this argument I'm satisfied Mr H was put on notice that SJP would be ceasing ongoing advise fees and that if he'd wanted such a service in the future he could have requested it or made arrangements with an alternative provider.

My final decision

For the reasons I've already set out, I'm not upholding Mr H's complaint.

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

Kevin Williamson

Ombudsman