

The complaint

Mr S and Miss S have complained about the service provided by Rathbones Investment Management Limited. They consider the advice and unacceptable level of service that was provided by different parts of the organisation caused them significant losses.

What happened

Mr S and Miss S' complaint was considered by one of our investigators. He issued his assessment of it to both parties on 28 March 2025. The investigator's understanding of the background and circumstances to the complaint were set out in that assessment, so I won't repeat them all again in full here. But to recap, Mr S contacted a friend who was an Investment Director for an entity of Rathbones in 2018. At a subsequent meeting they discussed Rathbones' Multi Asset Portfolios (MAPs) and how bespoke portfolio management worked. During 2019 Mr S was sent factsheets and performance figures for the MAPs which Mr S said he was impressed by.

In 2019 Mr S met with a friend of Miss S who worked for Rathbones Investment Management Limited (RIM). Mr S subsequently e-mailed the Investment Director who'd sent the MAP factsheets explaining that he was intending to go in a different direction with his investments. Mr S has said this didn't imply or shouldn't be taken to mean he had decided against the MAPs.

Mr S met with RIMs investment team in September 2019, and an investment proposal was prepared for him for a RIM portfolio which would be actively managed. Mr S also had a meeting with an adviser for Rathbone Financial Planning (RFP) on 30 September 2019 where his financial circumstances were recorded. It was still unclear at this point whether Mr S was going to invest through MAPs or with RIM.

A summary of the meeting was sent to Mr S setting out the scope of the work that had been agreed – provision of a cash flow analysis from RFP. The investigator said there was no mention of advice being required. And that it was stated a more detailed report which could include suggestions was available at an additional charge.

RIM gathered information about Mr S' investments and provided a factual analysis of his Self Invested Personal Pension (SIPP) in February 2020. Mr and Miss S signed a client agreement form with RIM on 10 March 2020. It was recorded that Mr S had experience in financial and investment services through work, personal study and professional qualifications. This included having investments managed on a professional, discretionary and advice basis. And by signing the agreement Mr S acknowledged that RIM wasn't his financial adviser.

Mr S spoke with the RFP adviser in March 2020. The conversation included discussing the current financial environment and how timing investment into the markets was complicated. Additionally, it was said that the simplest route for Mr S' funds to be invested with RIM as soon as possible was to ask it directly. A statement of understanding was made by RFP in that Mr S had decided to invest with RIM and in that case RFP did not need to provide advice on the matter. Mr S confirmed that was his understanding.

RFP said once the investment was in place it could provide advice on an ongoing basis. Additionally, it said if Mr S wanted it to provide advice on investment switches it could, but the costs would be increased.

Mr S signed a client agreement for his SIPP on 18 March 2020. It was noted that it would be managed on a discretionary basis. And it recorded the RFP adviser would be Mr S' financial intermediary for the period that Rathbones managed the scheme assets. The document said that by signing, Mr S confirmed he'd received RIM's terms of business and that it was not his adviser. It said Mr S had appointed an adviser for periodic reviews of the ongoing suitability of the pension.

Mr S signed a further agreement on 25 March 2020. It said: *"I confirm that I do not wish to receive financial advice with regards to my SIPP and accept that any adverse consequences that may arise as a result are my responsibility."* Over the course of the next two years, over £2,000,000 in cash and assets were transferred to RIM.

A general discussion about the current financial environment took place in June 2020. It was agreed due to the extreme uncertainty at that time that no funds should be invested. The SIPP switch took place in July 2020, and the cash within the next two months.

RIM provided its investment proposals in October 2020. It recommended a bespoke portfolio of stocks to be invested in, on an active management basis. As RIM was only the discretionary investment managers, it stipulated that as part of its business model, an ongoing adviser would need to be named on the investment. It was agreed that it would be the RFP adviser.

A meeting with RIM took place via video call on 21 October 2020. It was a general discussion on how the funds should be invested. It was recorded Mr S was finding it difficult to read the markets in relation to his day trading. And it was agreed that a new proposal would be drafted to account for Mr S' preferences. The revised proposals were sent to Mr S on 29 October 2020. RIM called Mr S the following day and agreed that, apart from £400,000 which would be returned to Mr S to invest directly, RIM would aim to fully invest the funds within two weeks.

On 26 January 2021 RIM informed Mr S that the RFP adviser had left its employment. Mr S was unhappy with this, and explained that he had paid for cash flow analysis work as it was recommended by the RFP adviser. And that it had been agreed it would be updated annually at no extra cost. RFP subsequently refunded some money to Mr S in respect of this matter.

The investigator said five further meetings took place over the next two years. Questions were raised on how the RIM portfolio was invested and how it had performed compared to the MAPs. There were discussions around performance, the markets, and trades made in the portfolio.

Mr S complained to the firm in October 2023. Rathbones didn't uphold his complaint and it was referred to us.

Our investigator didn't recommend that the complaint should be upheld. He said, in summary, that he noted Mr S had said he wanted to invest in a MAP but was convinced, persuaded or advised to do otherwise. The investigator said although Mr S had been provided with MAPs factsheets he had ultimately informed the investment manager that he'd chosen to take a different direction with his investments.

The investigator said over the following months RIM presented investment proposals. And it had been noted that Mr S hadn't decided whether to proceed with a bespoke portfolio on a

discretionary basis, or to use one of their MAPs.

The investigator noted Mr S had raised concerns that RFP had provided advice to him, albeit hadn't charged him, and then RIM had asked him to sign a document to confirm no advice had been provided. The investigator said that terminology such as suitability or advice had been used frequently and loosely within RFP and RIM's paperwork. However, he said use of the word on its own wasn't confirmation that advice had been provided. The investigator said language was contextual, and in the context that it had been used he didn't think Mr S had been given advice by RFP or RIM to move his assets.

The investigator said the cash flow analysis produced by RFP didn't advise Mr S on how to invest his assets. And in the call on 17 March 2020 the RFP representative had said Mr S had made a decision to invest with RIM and explained that the simplest way to do that as soon as possible was to do so directly. The investigator said due to this no suitability report or recommendation for any RIM investment was required by RFP, Mr S just had to sign the appropriate forms if he wanted to go ahead. Mr S had acknowledged the statements made by RFP, as they were made.

The investigator said the cost of work had been discussed. He said RFP had made Mr S aware that if he did want advice from it about investing his assets that the associated fees would be higher. It was agreed that as Mr S had already made the decision to invest with RIM, advice from RFP would not be required before the onboarding process. The investigator said the only reference to advice from RFP was in relation to ongoing advice, to be provided in the future after Mr S became a client of RIM. The investigator thought the paperwork Mr S signed to confirm that no advice was provided was clear.

The investigator said Mr S had stated that the representatives of RFP and RIM had effectively convinced him that he had received advice, but without the associated costs. Furthermore, that this was effectively just part of the process to progress matters, and it was necessary for Mr S to sign the paperwork regardless of its accuracy.

The investigator said he wasn't witness to any of the face-to-face interactions so couldn't comment on the statements made. He said Mr S was classed as a retail client. But he thought Mr S' knowledge and experience was material. He said prior to the investment with RIM Mr S held a senior role within the financial services industry, including being accredited by his employer with the CF30 customer function. He said Mr S also had significant assets for investment and the experience that brought in itself. And he said it was recorded that Mr S was 'day trading', with several hundreds of thousands of pounds noted as being used for that purpose.

The investigator said he thought Mr S' circumstances meant he'd likely have known the difference between an advised or non-advised investment. Or the difference between a cash-flow modelling report and a suitability report. The investigator said he thought Mr S was confident to make investments without the benefit of advice. He didn't think Mr S would knowingly sign a document which included a false statement without questioning the requirement to do so.

The investigator didn't think Mr S had been provided advice on how to invest by RFP. He thought Mr S had made the decision to invest with RIM using its recommended portfolio. And that had Mr S wanted to invest in a MAP he could have. The investigator said he'd seen no evidence to suggest RIM would have prevented him from doing so. He said that at any point Mr S could have given alternative instructions to RIM, i.e. to invest in a MAP.

The investigator said the other main issue related to the service provided by RIM not meeting Mr S' expectations in its speed to respond to enquiries, arrange for funds to be

invested and then actively manage them.

The investigator said the service agreed with RIM was one of it being a discretionary fund manager. He said he'd reviewed the correspondence exchanged, and thought the delay in entering the market had been discussed and agreed between Mr S and Rathbones.

The investigator said there were discussions around RIM agreeing to call Mr S earlier if there were crucial factors to consider about when to enter the market. He said with the benefit of hindsight it would be easy to identify times where this would have been optimal. He said it was documented that RIM made it clear it was available to discuss the matter with Mr S, in circumstances where Mr S felt the timing was right. Looking at all the correspondence exchanged, overall the investigator didn't think the service that had been provided was unreasonable.

Mr S didn't agree with the investigator's findings. He provided further evidence and arguments for me to consider when making my 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.

My understanding is that Mr S' main concern is that Rathbones advised/persuaded him to invest in the bespoke portfolio rather than his preferred route of investment into a Multi-Asset Portfolio (MAP). He's said this led to him investing *'into the bespoke portfolio management services of RIM, as opposed to Rathbones lower cost Multi-Asset Portfolio Products, which over time proved to deliver a far superior performance to what I experienced.'*

I appreciate Mr S will be naturally disappointed if he had planned or had strong intentions to invest in MAPs, but as a result of what Rathbones said or did he was persuaded to invest otherwise. However I don't think the 'losses' flow from Mr S investing in something that was 'unsuitable'. I don't think, at the time the decision was made, one option was clearly more appropriate for Mr S' requirements than the other. And the 'losses' are only seen with the benefit of hindsight – one investment simply performed better than the other.

I recognise that Mr S has said he considers Rathbones effectively advised him to move his money from the SIPP. The firm doesn't consider it gave advice. And as the investigator said, Mr S was aware that advice could be provided but at higher cost, Mr S didn't pay for advice, and he signed a document to confirm no advice had been provided about the SIPP.

Whilst this is all indicative that both parties appeared to be working on the understanding that formal advice wasn't given, and again I think Mr S was in a position to decide whether he wanted formal advice, I accept what Rathbones said and did could have been taken by Mr S to be tantamount to providing advice.

However I don't think the losses Mr S is claiming for flow from that 'advice'. Mr S is claiming for the 'losses' resulting from him investing in the bespoke arrangement/DFM rather than in a MAP. In my opinion Mr S was already minded to move his money. I accept that what Rathbones said and did would have been taken into account by Mr S in deciding to invest through the DFM rather than in a MAP. But I think given his background and circumstances, he was in a position to make an informed decision about which to invest in. And I haven't seen any persuasive evidence it was unsuitable for him to invest through the DFM.

Mr S has said he'd conducted his own research into MAPs, was impressed by its performance and anticipated it would cost less than Rathbones Discretionary Fund

Management (DFM) Services. I accept Mr S wasn't a professional adviser or investment manager. However I think given his background he would likely have had the necessary knowledge and experience to weigh up the relevant information to make an informed decision about how to invest his money - whether to invest through MAPs or the bespoke arrangement.

Mr S has said that although he was invested in his SIPP a considerable amount of funds were from cash. And that his day trading activities started long after the funds were invested with Rathbones. However I think the weight of evidence shows Mr S did have considerable knowledge and experience of investments. And this is consistent with his employment background and it being recoded that Mr S *'had a high level of knowledge and experience of investing having worked in the industry for many years.'*

As I've said, I don't think one option would have appeared to be obviously superior for Mr S to the other at the time the decision was made. I haven't seen evidence to suggest that Mr S was given any guarantees about the performance of the bespoke portfolio. And I think Mr S would likely been aware there were no guarantees of outperformance of one risk-based portfolio/investment over the other.

In terms of the level of service, I think it's clear that the timing of entering the market was discussed and agreed with Mr S. Different professionals will have different reasonable opinions about timing. As Mr S will be aware, investment management isn't an exact science – and in particular given the unique circumstances created by Covid at that time. Rathbones acknowledged there were some failings in service during Mr S' period with it and made appropriate refunds at the time. I accept that Mr S may not consider the level of service lived up to his expectations, but I haven't seen any significant failings that resulted in losses to Mr S. Like the investigator, I don't think the level of service provided was unreasonable in the circumstances.

Overall, and taking all the above into account, I'm not persuaded that the 'losses' claimed flow from an error or omission by Rathbones. For the reasons outlined above and by the investigator, I'm not persuaded that the complaint should succeed.

My final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S and Mr S to accept or reject my decision before 3 September 2025.

David Ashley
Ombudsman