

## **The complaint**

Mr M, through his representatives ('C'), complains that Blueprint Asset Management Limited advised him on and arranged the transfer of his personal pension with Royal London to the Audax Occupational Scheme in July 2015. Mr M says as the result of Blueprint's acts and omissions Mr M has been victim of a pension scam and has suffered significant losses to his pension.

At the relevant time Blueprint was an appointed representative of Absolute Financial Management Ltd who is the respondent to this complaint.

## **What happened**

Mr M says in 2015 he searched on the internet for a financial adviser who could provide him with pension advice and came across a firm called GCI Markets Limited. GCI wasn't regulated by the Financial Conduct Authority ('FCA'). Mr M says GCI subsequently advised him that he could achieve higher returns on his pension if he transferred it away from Royal London to another pension scheme.

In April 2015 GCI provided Mr M with a letter of authority for him to allow a financial adviser firm to request pension details from Royal London on his behalf. In June 2015, GCI asked Mr M to sign another letter of authority to allow Royal London to disclose his pension information to Blueprint.

Blueprint requested his pension details from Royal London on 2 June 2015. Blueprint wrote to Mr M on 15 June 2015 enclosing his Royal London pension valuation (around £22,000) together with discharge and transfer instruction forms, an Audax Scheme brochure, an Audax members booklet and an Audax transfer application pack.

The letter said:

*Further to our previous correspondence with [individual working for GCI Markets], we are pleased to enclose the following documentation for your perusal and consideration.*

*[List of enclosures]*

*We are able to offer you the opportunity to regain control of your retirement funds by instigating a transfer to the Audax Scheme, which is fully approved and regulated by the Pension Regulator (scheme No 12010036). We offer no advice or guidance in this matter (we are simply the appointed scheme transfer administrators) we recommend you read all the enclosures carefully and/or seek advice from an appropriate independent financial adviser ([www.unbiased.com](http://www.unbiased.com)).*

*Should you opt to move your scheme, please complete and return the enclosed forms where indicated, using the freepost envelope supplied. We will then apply to transfer your pension fund.*

*On receipt of these funds our role in this process is complete and you will be contacted by*

*the scheme administrators and investment managers: Gallium Fund Solutions [full address provided].*

*Gallium Fund Solutions are authorised and regulated by the Financial Conduct Authority. Gallium will issue you with your welcome pack and certificate of scheme membership, they will also keep you fully informed on the status of your plan by issuing you with an annual valuation statement.*

Mr M signed the Audax application form on 26 June 2015.

On 1 July 2015, Blueprint wrote to Royal London in relation to Mr M's request to transfer his pension to Audax. They included various documents including the discharge forms and HMRC registration of the Audax scheme. The letter also gave details of the Audax Scheme's governance describing the different firms involved and their roles. Blueprint was recorded as the pension transfer administrator, Gallium was the scheme administrator and investment manager and Audax Management Limited were the trustees of the scheme. The letter also set out that Blueprint didn't provide advice and that Mr M had been advised to speak to a suitably authorised financial adviser before making a decision.

On 9 July 2015, Royal London confirmed to Blueprint that Mr M's transfer value had been paid.

On 30 July 2015, Gallium emailed Blueprint to tell them that Section B and D of Mr M's application form needed to be fully completed and asked them whether they could help with this. On 4 August 2015 Blueprint returned the Audax application form to Mr M for further completion. They asked him to confirm in Section B of the form that he understood that the scheme would predominantly be invested in listed investments and the remainder in alternative products. They also asked him to tick all the boxes in Section D. Blueprint explained that the administrators were insisting on the forms being complete.

Mr M's pension was transferred to the Audax Scheme. Gallium confirmed that during this time they invested the majority of the funds (78%) into listed investments through Seven Investment Management ('7IM'), a regulated firm. The remainder was invested at 11% each into alternative assets (Lawgen Limited and BPLF1 Limited).

Gallium was terminated as investment managers by the scheme trustees in 2016 and replaced by Met Facilities LLP as investment managers and Ganita Wealth LLP, an appointed representative of Met Facilities, as scheme advisers. Met Facilities was FCA regulated and Ganita Wealth was authorised as an appointed representative.

Ganita Wealth instructed 7IM to close the investment account for the Audax Pension Trust, liquidating the assets and sending the money to the Trust's bank account. According to 7IM this process was recorded as complete on 8 June 2016.

In 2020, The Pension Regulator appointed Dalriada as an independent trustee of the Audax Scheme due to concerns over the use of scheme funds, the investments made and the competence of the previous trustees, Audax Management Limited.

Dalriada updated members in 2023. Their investigations had found that after 7IM had liquidated and returned the funds held with them in 2016, the majority of the funds (around 61%) was reinvested in Ganita Wealth Fund Limited ('GWFL'), around 18% was reinvested in BPLF1 and around 21% was withdrawn or transferred elsewhere by members.

Dalriada thought it was unlikely they would be able to realise any meaningful value from GWFL. BPLF's assets were largely held in the form of a loan to a solicitor's firm and whilst

they had offered to return the investment once they had received payback from their borrower, this would likely be a lot less than what had been originally invested. Another loan note that Audax Management invested in was also unlikely to return any funds.

In May 2024, Dalriada announced that the best chance of significant recovery for members was via a claim through the Fraud Compensation Fund ('FCF'). Dalriada liaised with the FCF who decided that there are reasonable grounds for believing there was dishonesty in the Audax scheme and that there are scheme assets reductions attributable to that dishonesty.

In 2020, C complained to Blueprint on Mr M's behalf about their involvement in the transfer of his pension. In summary they say Blueprint accepted an introduction from an unregulated introducer (GCI Markets) and then advised on and arranged the transfer of Mr M's pension despite them knowing that GCI had unlawfully advised Mr M on his pension transfer and the Audax Scheme showing warning signs of being a fraudulent scheme. They say it was clearly not in Mr M's best interest and unsuitable to transfer his pension and Blueprint failed in their duties under the Conduct of Business Sourcebook (COBS) and the Principles for Businesses (PRIN).

They say in line with their regulatory obligations and The Pension Regulator's guidance on helping to prevent pension fraud, Blueprint ought to have warned Mr M about the indicators that Audax was a fraudulent scheme and Blueprint should have refused this pension transfer business. They also claim the agreement to transfer is unenforceable in line with Section 27 and Section 28 of the Financial Services and Markets Act 2000 (FSMA).

C say that if it wasn't for Blueprint's negligent behaviour, Mr M wouldn't have transferred his pension from Royal London and wouldn't have incurred the losses to his pension. They also pointed out that the director of Blueprint was also a director of both BPLF1 Limited and Lawgen Ltd which the Audax Scheme invested in. So there was a conflict of interest when they advised Mr M to transfer.

Absolute Management didn't respond to the complaint within regulatory timelines, so it was referred to this Service. When providing their submissions to us, Absolute Management said Blueprint didn't provide advice to Mr M. They only acted as pension transfer administrators for the trustees of the Audax Scheme which they considered a legitimate scheme. They said all potential members were referred to Blueprint by the sponsoring employer of the pension (Refined By Ltd) and Blueprint had no direct dealings with unregulated introducers. They said they did due diligence on all the parties involved to make sure Audax was a genuine pension scheme and was not involved in pension liberation or a pension scam.

One of our Investigators rejected the complaint, mainly because she didn't think Blueprint gave advice to Mr M.

C disagreed. They said the complaint wasn't just about Blueprint's advice to Mr M. It was about Blueprint arranging the transfer, their conflict of interest, their dealings with an unregulated introducer, their breach of the Pensions Regulator's guidance and the breach of Section 27 and 28 of FSMA. They asked for an ombudsman's decision and so the complaint has been referred to me.

### **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.

### **Provisional findings**

I issued a provisional decision on 14 March 2025 not upholding the complaint. I've set out

my findings again below.

### *Regulated activities*

The Audax Scheme is an occupational pension scheme. I would like to note this Service can't consider complaints about any advice or arrangement to join or open an occupational scheme nor investment advice on or arrangement of assets in an occupational scheme. Rights under an occupational scheme are specifically excluded as specified investments in Art 89 (2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. So these activities aren't regulated activities.

However, advice on or arrangement of a transfer from a personal pension to an occupational scheme can be considered. So I've considered any actions by Blueprint with this in mind.

### *What did Blueprint do?*

The paperwork provided shows that Blueprint did the following:

- Requested pension information from Royal London and then forwarded this to Mr M together with information about the Audax Scheme and the necessary application and discharge forms if Mr M wanted to transfer.
- Provided Royal London with information about the Audax Scheme
- On Gallium's request, returned the Audax application form to Mr M and asked him to fully complete it.

### *Did Blueprint give Mr M a personal recommendation to transfer his Royal London pension to Audax?*

C say that Blueprint advised Mr M to transfer his pension to Audax and therefore failed their obligations under COBS 9 to ensure that the transfer was suitable for him. The argument is based on one sentence in the letter of 15 June 2015 which says: *We are able to offer you the opportunity to regain control of your retirement funds by instigating a transfer to the Audax Scheme.*

COBS 9 doesn't apply to all advice. At the time the letter was sent in 2015, COBS Chapter 9 applied to a firm who made a personal recommendation. So I have considered whether Blueprint's communications reasonably could be seen as a personal recommendation to Mr M to transfer his pension to Audax. I don't think so.

Personal recommendation wasn't defined at the time in the FCA's Handbook for the purpose of COBS. In 2018 it was defined for the purposes of pension transfers as 'a recommendation that is presented as suitable for the person to whom it is made or is based on a consideration of the circumstances of that person.'

I don't think the comment in Blueprint's letter can objectively be seen this way. I agree that "opportunity to regain control" contains a positive judgement and arguably isn't just factual

information. However, this doesn't automatically make it a personal recommendation for Mr M to transfer his pension to Audax. I think it's misguided to look at one sentence in a letter and ignore the context of the communications and the circumstances of what happened here.

The letter starts by saying it provides information for Mr M's consideration and perusal. And it makes it clear that Blueprint is not giving advice or guidance and then recommends to read all the materials carefully and/or seek advice from an appropriate independent financial

adviser with a link of where he can find such an adviser.

The information that was sent with the letter also makes it clear in several places that no advice is being provided and that this is an execution-only service.

The Audax Scheme brochure and the FAQs say:

*The Scheme offers an execution-only service and we recommend that you seek professional advice from a suitably qualified financial advisor if you are considering transferring existing pension benefits into the Scheme.*

The FAQs also state:

*Am I receiving financial advice? No, you are not receiving financial advice from the Scheme's professional team.*

Mr M also signed the Audax application form and agreed to the following declaration:

- 1. I understand that the Trustee, the Investment Manager, the Administrator and Transfer Administrator do not provide advice regarding the suitability of this Pension for my circumstances and that they will establish the Pension on a 'No Advice' Execution Only Basis.*
- 2. I understand that the Trustee, Investment Manager, Administrator and Transfer Administrators do not give financial advice and their on-going services do not include any investment, pension or financial advice to me.*
- 3. I understand that it is in my best interests to seek advice from an appropriately qualified Financial Adviser regarding my future financial and retirement planning. However, I hereby confirm that I am comfortable in making my own decisions and do not require advice in this respect*
- 4. I am aware that I could find a local IFA*

Mr M also hasn't said that he was expecting any sort of advice from Blueprint and I'm not persuaded that from one sentence in the letter he would have got the impression this was what was happening here. In PERG 8.28.5 the FCA set out that:

*A key question [when establishing whether something is advice] is whether an impartial observer, having due regard to the regulatory regime and guidance, context, timing and what passed between the parties, would conclude that what the adviser says could reasonably have been understood by the customer as being advice.*

I'm simply not persuaded that Blueprint's communications here objectively amounted to a personal recommendation that a transfer to Audax was suitable for him or that Mr M could reasonably understand this to be such a recommendation.

It follows that I don't think the obligations of COBS 9 were engaged. Blueprint didn't have to make sure the transfer was suitable for Mr M.

#### *Amendment of application form*

C has also commented that Blueprint told Mr M to complete sections on the application form again and that Mr M had initially not ticked a box to say he understood that Blueprint had not given advice. They also say Blueprint should have recommended Mr M to seek regulated advice.

I don't agree with C's suggestion here that Blueprint acted inappropriately by returning the form to Mr M. I've seen both the first version and the amended version of the form. Mr M initially ticked a box to say he didn't receive financial advice. The section asked to go to Section D in this event. It seems that the full section needed to be completed and Mr M only completed some of it. Gallium then instructed Blueprint to get Mr M to fully complete the form and Blueprint indicated to Mr M which boxes he missed. It wasn't a matter of influencing which boxes to tick in Section D (all of them needed to be ticked) or leading Mr M to complete it in a certain way. I think Blueprint could reasonably expect Mr M to read the short statements before he ticked the missing boxes. It's also worth noting that in the initial form Mr M did confirm he understood that the trustee, investment manager, administrator and pension transfer administrator do not give financial advice.

Mr M eventually did tick the box to say he understood it was in his best interest to seek advice from an appropriately qualified financial adviser. And Blueprint in their letter of 15 June 2015 and Audax in the scheme brochures had also made it clear that they recommended regulated advice and where to find such an adviser. It wasn't a requirement for customers to seek financial advice to transfer their pension. Mr M was clearly informed that this was recommended, but he chose to proceed without advice. Blueprint wasn't in a position to insist on Mr M taking regulated advice.

*Did Blueprint arrange the transfer for Mr M?*

Blueprint described themselves as pension transfer administrators and I think their actions amounted to arranging the transfer. They essentially were the conduit between Royal London, Mr M and Audax/Gallium.

C says Blueprint ought to have assessed appropriateness in line with COBS 10. At the time of the transfer COBS 10.1 set out when this chapter applied.

*10.1.1 This chapter applies to a firm which provides investment services....other than making a personal recommendation or managing investments.*

Investment Services was defined as providing a service in relation to a financial instrument. It then listed a range of services. Most of them are very clearly not applicable here. I considered the two services which could maybe be seen as relevant here which is 'reception and transmission of orders' and 'execution of orders'.

However, the financial instruments this needed to relate to (also defined) were a range of different investment assets, but a pension more generally is not mentioned. It could be argued Blueprint received and transmitted or even executed Mr M's transfer request but this was in relation to the pension. They didn't execute the subsequent investments. This was done by Audax and Gallium.

*10.1.2 This chapter applies to a firm which arranges....in relation to a non-readily realisable security, derivative or a warrant with or for a retail client and the firm is aware, or ought reasonably to be aware, that the application or order is in response to a direct offer financial promotion.*

Blueprint was arranging the transfer to the Audax Scheme which is an occupational scheme and not in itself a non-readily realisable security, derivative or a warrant as defined here.

*10.1.3 related to when a firm is assessing appropriateness on behalf of another firm which doesn't apply here either.*

Based on the above I consider COBS 10 didn't apply to Blueprint's actions here. However,

the obligations in PRIN and other rules in COBS, for example COBS 2.1.1, the client's best interest rule, did still apply to Blueprint.

### *Conflict of interest*

The director of Absolute Financial Management, who set up Blueprint as an appointed representative, was also the director of Lawgen Ltd and BPLF1 Limited, the alternative assets Mr M ended up investing part of his pension in. C says this was a conflict of interest that should have been disclosed to Mr M.

There is no doubt that individuals linked to Blueprint had a commercial interest in this transaction. They were working with Audax and were linked to some of the investments that consumers ended up with. Blueprint was arranging the transfer for Mr M so they also had regulatory obligations towards him and had to treat him fairly. So arguably Blueprint should have disclosed to Mr M that some of his pension might be invested into firms which individuals connected to Blueprint had a financial interest in.

However, even if they had done so, I'm not persuaded that this would have changed Mr M's mind on the transfer. Based on the communications he received from Blueprint and in the Audax information materials I think he would have reasonably understood that Blueprint was working as part of the Audax professional team and essentially in an administrative function. I don't think he would have expected them to be completely impartial towards the scheme. As I stated above I don't think Blueprint gave Mr M a personal recommendation (in which case a conflict of interest would have possibly appeared more concerning to him) and given Mr M's financial inexperience I'm not convinced that he would have seen this as a concerning factor.

### *Scorpion guidance from The Pensions Regulator and The Pension Scams Industry Group*

C says Blueprint should have warned Mr M that his transfer showed potential warnings signs of a scam as set out in the Scorpion guidance and PSIG Code of Good Practice.

It's correct that the guidance was aimed at trustees and also administrators of pension schemes, however this was generally directed at ceding pension schemes and how they could prevent customers falling victims of a scam by transferring their pension.

Blueprint was acting as a pension transfer administrator for Audax, the receiving scheme. I still would expect Blueprint to be familiar with the guidance. And I appreciate that some of the warning signs which were pointed out by the guidance applied here (recently registered scheme and sponsoring employer, no employment relationship between employer and Mr M). Blueprint say they did do their due diligence. The occupational scheme was approved by the Pensions Regulator and Gallium had been regulated since 2008 with the necessary experience, skills, resource and track record to successfully run the scheme. Blueprint say they also met with the sponsoring employer Refined by Ltd.

In the circumstances I think it would be illogical to expect Blueprint to warn a customer of the risks of a scam when they were acting as the pension transfer administrator into a scheme which they considered legitimate and not a scam. I note that the vast majority of funds were invested in listed investments through a regulated portfolio through 7IM. This wouldn't have been concerning (and in fact wasn't the cause of the majority of the pension losses in the scheme).

### *Working with unregulated introducers*

There has been a dispute whether GCI Markets introduced customers to Blueprint or to

Audax. In the letter that Blueprint sent to Mr M they referred to their previous correspondence with GCI. C takes this to mean GCI introduced Mr M to Blueprint. Blueprint say they didn't have any direct contact with the introducer. Refined by Ltd had many introducer colleagues and engaged with them directly. Gallium agreed these relationships and signed off a script for introducers to use. The potential scheme members were referred to Blueprint by Refined by Ltd. The introductory letters (which Blueprint sent) were pre-agreed which is why there was a reference to GCI.

It's unclear whether GCI referred potential scheme members to Refined by Ltd who then passed the details on to Blueprint or whether GCI referred to Blueprint to get the process started.

I think even if GCI as a next step gave customer details to Blueprint, the business they were introducing was to the Audax Scheme. Blueprint was simply taking the first administrative steps which might lead to the transfer.

Nevertheless, Blueprint did know that unregulated introducers introduced business to the Audax Scheme. And if there was any indication that those introducers gave advice to retail clients to transfer their personal pensions (which would be a breach of FSMA), I would have expected them under their obligations under COBS 2.1 and PRIN as a minimum to warn Mr M that GCI wasn't allowed to give advice and were acting illegally. And as a regulated firm I really would have expected them to not play a part in the process in these circumstances at all.

However, there is not sufficient evidence here that GCI gave advice to Mr M. I understand that Mr M says GCI told him he could receive higher returns if he transferred his Royal London pension into another scheme. The testimony here is limited and I'm mindful that it was given several years after the event. We don't know what exactly was said and I accept it's possible that GCI strayed from introduction/promotion to advice. However, I also considered that when GCI spoke with Mr M they had no details about his pension (this was only requested later by Blueprint) and Mr M was actively looking to review his pension. It makes sense that Gallium, as the regulated administrator and investment manager in the Audax Scheme, would have had to approve any promotions from unregulated introducers to comply with FSMA and would be keen to monitor what exactly was said. So overall, I think it's likely GCI introduced customers to the Audax Scheme but I'm not persuaded that on the balance of probabilities they advised Mr M to transfer his pension to Audax.

So overall, even if GCI referred consumers directly to Blueprint, I don't think acting as a pension transfer administrator in these circumstances was in breach of any of their obligations under COBS and PRIN.

### *Causation of loss*

For the reasons given above I don't think Blueprint breached PRIN and COBS here other than not disclosing their conflict of interest to Mr M which I don't think would have stopped the transfer. However, I acknowledge that Blueprint were effectively acting for both the scheme and Mr M even if the latter might not have been their intention. They also had a financial interest in transfers to Audax going ahead which created a conflict of interest. There is an argument here that Blueprint shouldn't have got involved at all in the process given their conflict of interest. And if I'm wrong and Blueprint did reasonably know that GCI would be advising customers, then they also should have not got involved. However, even if this was the case, I don't think their involvement was crucial to transfers into Audax going ahead. The pension information could have been requested by Mr M himself or anyone else. And the trustees of the scheme and/or Gallium could have communicated with Mr M directly. So as far as I see it Blueprint didn't play a crucial role here insofar that transfers wouldn't have



happened without them. There was no need for their involvement. I also don't think it was Blueprint and their regulated status or the sentence in the letter saying that Mr M could regain control of his pension was likely the key factor in Mr M deciding to transfer his pension.

So even if I thought Blueprint shouldn't have involved themselves in the process, I don't think their involvement here caused Mr M's losses. I would add at this point that from Dalriada's announcements it seems the majority of financial losses occurred after a new regulated adviser took over from Gallium and invested this into the Ganita Wealth Fund. So even if I thought Blueprint was responsible for Mr M transferring his pension-which for clarity I don't-it wouldn't have been fair to hold them responsible for any losses which occurred after Ganita Wealth and Met Facilities, both regulated and directly involved in ongoing investments from 2016, took over. At this point the losses from the 7IM portfolio was minimal and likely due to usual investment fluctuations.

### *Section 27 and Section 28 FSMA*

C argues that Mr M entered into an agreement with Blueprint to transfer the pension as a consequence of something said or done by an unauthorised party (GCI) in contravention of the General Prohibition and so the transfer is unenforceable.

This argument doesn't help Mr M in my view. Even if GCI did advise in breach of FSMA, the agreement to become a member of the Audax Scheme was between Mr M and the trustees, Audax Management Limited. There was no agreement between Mr M and Blueprint that can be unenforced.

### **Responses to my provisional decision**

Absolute Financial accepted my findings and had no further comments.

C, on behalf of Mr M, disagreed with my findings and provided further submissions. In summary they said:

- C maintains Mr M was advised by Blueprint to transfer his pension and that the obligations in COBS 9 were engaged. C say Blueprint failed to ask for details about Mr M's circumstances and should have considered them to provide him with suitable advice.
- C say Blueprint instructed Mr M to tick the boxes in Section D on the application form, but failed to explain to him the consequences of doing so. It's reasonable to think that Mr M didn't originally tick those boxes as Blueprint in fact had provided advice. Blueprint should have explained what the form meant particularly given Mr M's inexperience in dealing with pension transfers and his vulnerable state at the time. Mr M had recently lost several close members of his family, was receiving welfare benefits and had poor mental health.
- Blueprint should have assessed appropriateness in line with COBS 10. The pension scheme was just a wrapper which held assets, many of which were non-readily realisable securities. Blueprint would have been involved in what assets Audax would invest members' funds. Some of the funds were invested into BPLF1-a company which shared its director with Blueprint and Absolute Financial Limited. Blueprint was clearly deeply imbedded into Audax's investment dealings and it was unreasonable to deploy semantics to try and say COBS 10 didn't apply.

- C disagrees that Mr M wouldn't have changed his mind about the transfer if he had known that the director of Blueprint would financially gain from it. It's impossible to predict what Mr M would have done and it's not reasonable for Mr M not to have the opportunity to make that decision for himself.
- Blueprint had a legal duty to make Mr M aware of the risks of pension scams and should have provided him with the Scorpion guidance. Blueprint should have flagged red flags to Mr M including that Audax was recently registered, the sponsoring employer was recently incorporated, had no trading history and had no real connection to Mr M and that the introducer was unregulated. If Mr M had been given the opportunity to recognise the risks involved he could have made an informed decision and likely would not have proceeded with the transfer.
- I said that I would have expected Blueprint not to be engaged in a process involving unregulated introducers in any way. The fact Blueprint did engage in the process supports the argument that they did not act in accordance with COBS 2.1. C strongly disagrees with my findings that GCI didn't necessarily give advice to Mr M. Mr M was told by GCI that he could make higher returns if he transferred his Royal London pension elsewhere. This is clear evidence that they advised Mr M to transfer his pension to a certain scheme and explained the specific benefits of doing so. On the balance of probabilities GCI advised Mr M to transfer his pension to Audax.
- Blueprint was instrumental in Mr M transferring his pension to Audax. Given Mr M's vulnerabilities at the time he wouldn't have transferred his pension if it wasn't for Blueprint. Mr M wasn't sophisticated nor financially literate and wouldn't have purposefully sought out the Audax Scheme or liaised with the trustees or Gallium to facilitate and arrange the transfer. C also disagrees that Blueprint's regulated status wouldn't have been a key factor in Mr M's decision. It would have given Mr M confidence that they were acting honestly, fairly and in his best interest and he could take at face value what they suggested.
- Given some of my findings including that Blueprint were arranging the transfer, had a conflict of interest and were linked to some of the investments Mr M ended up with, should have been familiar with the Scorpion guidance and knew about the involvement of unregulated introducers, it's irrational that the complaint isn't upheld.

## My findings

I carefully considered C's submissions, however I remain satisfied that my provisional findings remain fair and reasonable in the circumstances of this case.

COBS 9 only applies to personal recommendations and I already explained in detail why I didn't consider Blueprint's actions amounted to this. Blueprint wouldn't have been aware of Mr M's vulnerabilities and they didn't need to ask for Mr M's details and assess suitability.

It's correct that Blueprint told Mr M to complete all boxes in Section D on the application form and it's clear that Mr M hadn't completed this before. However, Section D was a follow up to Section B where Mr M had to tick a box to say whether he had or had not received financial advice before joining the Audax Scheme. He had already ticked a box to say he had not received advice. As explained previously I don't consider telling Mr M that he had missed a Section on the application form and needed to complete it was unreasonable or unfair. And the statements Mr M was confirming he understood were not difficult to understand even for a lay person. They included a statement that it was in his best interest to seek financial

advice.

I explained in detail why I don't consider COBS 10 applies here. It's not disputed that Blueprint's director would have known that the pension investments included a small part of alternative investments which might be defined as non-readily realisable securities. However, Blueprint's actions here related to the arranging of the transfer of the pension and not the underlying investments. The investments were ultimately arranged and decided by the trustees and Gallium (who were also a regulated firm).

I agree that I can't know for certain how Mr M would have reacted if he had been told about Blueprint financially gaining from some of the investments in the pension. However, on the balance of probabilities based on the reasons given in my provisional decision I think he likely would have proceeded.

The Scorpion guidance was essentially informational and advisory in nature and generally aimed at ceding schemes. I still disagree that Blueprint needed to provide Mr M with scam warnings here. However, even if Blueprint had sent him the Scorpion leaflet issued by The Pensions Regulator at the time the warnings signs listed there in my view wouldn't have likely resonated with Mr M. The leaflet warned about cold calls, guaranteed returns, proposals of putting all money into one single investment, overseas transfer of funds and pension access before the age of 55. None of this applied to Mr M's transfer.

In my provisional decision I said that if Blueprint had known or suspected GCI was giving advice in breach of FSMA, then they shouldn't have got involved in the whole process. However, I remain satisfied that on balance GCI didn't advise Mr M for the reasons set out in my provisional decision.

I'm also still of the view that in any event Blueprint's involvement wasn't crucial to the transfer going ahead. Pension details could have been requested from Royal London by Mr M himself which wouldn't have been difficult. If Blueprint hadn't been involved, Gallium could have sent Mr M the application form and brochures directly. Mr M still would have been dealing with a regulated firm. So I remain satisfied that even without Blueprint's involvement the transfer would have likely gone ahead.

Blueprint did have a conflict of interest which they should have told Mr M about or alternatively not got involved at all in the transaction. However, for the reasons explained previously, I think if they had acted as they should have done the transfer likely still would have gone ahead and Mr M would be in the same position he is in now. So I don't consider Blueprint to have caused Mr M's financial losses.

### **My final decision**

I don't uphold Mr M's complaint against Absolute Financial Management Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 May 2025.

Nina Walter  
**Ombudsman**