

The complaint

Mr E, represented by a claims management company (CMC), complains that St. James's Place Wealth Management Plc ("SJP") provided unsuitable investment advice to open a stocks and shares ISA, then later transfer another cash ISA to it.

(An additional complaint point was raised concerning the provision of ongoing advice to Mr E. However, it's accepted that the issue has been previously considered and responded to. As such, for clarity, I confirm I've not considered that issue here).

What happened

The background to the complaint will be well known to both parties, so I'll only give some key details here.

2012 Advice

In August 2012, Mr E met with an SJP Partner, and a fact find was completed noting he was in his mid-50s, in good health and married with dependents. He was retired (although later returned to working) and receiving an income of £724 per month, which broadly matched his expenditure. However, he jointly owned his property valued at £500,000 along with a buy-to-let property valued at £300,000 (with an outstanding mortgage of £115,000) and a holiday home valued at £90,000. He also jointly owned a piece of land valued at £250,000.

Mr E held several cash and stocks and shares ISAs with other providers amounting to around just over £30,000. He also jointly had approximately £80,000 in cash as an emergency fund and two pensions with an approximate combined value of £165,000.

Mr E was assessed as a medium risk investor with his main objectives noted as capital growth and the receipt of regular ongoing face-to-face advice. SJP recommended he invest £5,640 into a new SJP stocks and shares ISA, in its the Balanced Portfolio.

2015 Advice

Later, in March 2015, following completion of a further fact find SJP recommended Mr E transfer around £12,800 from one of his cash ISAs held with another provider to an SJP stocks and shares ISA invested in its Balanced Income Portfolio. By this time some of Mr E's mortgages were cleared and the recommendation report noted that he was concerned he didn't have any advisory support from the existing provider and, having previously invested with SJP in 2012 he understood the benefit its service offered. The report also confirmed that he didn't want to leave the money as cash, and he had no debts that he might consider repaying as an alternative to investing. It was noted that he still held another stock and shares ISA with another provider but didn't want to transfer that to SJP as he was happy with the level of risk involved and its performance.

Mr E met with his SJP partner again in March 2016 following several changes to his circumstances. It was noted he was no longer receiving an income from employment and had instead taken up a non-salaried role to help a friend's business but was expecting to be

paid at some point if the business continued to be successful. It was reported that Mr E felt he could manage with the capital he had in the meantime and didn't need to access his pension income or investments.

He had sold some of the land he owned and was expecting to receive around £85,000 which he was planning on using to repay the outstanding mortgage on his buy-to-let property. Once the sale had completed, he planned to sell the remaining land to receive around £170,000.

In June 2016, he withdrew £10,000 from his SJP ISA. Then, in January 2017 he met his SJP partner again having sold more land in September 2016. It was reported that around £70,000 was left in his current account and there was a capital gains tax liability to pay, so again he wasn't looking to invest any funds at the time. It was noted that it could take several years for a further land sale to go through, so he was looking to take some income from his pension as a supplement for at least a couple of years. In February 2017, he fully encashed the SJP ISA as he was then looking to purchase a property.

In 2024 Mr E's CMC complained to SJP about the suitability of the 2012 and 2015 advice. Having received no response, the complaint was referred to this service.

SJP did then provide a response in which it explained why it was satisfied the advice provided to Mr E had been suitable, saying, in brief –

- The SJP Partner confirmed the reasons for their recommendation and summarised the options discussed. As no questions were raised on receipt of the recommendation, it seemed fair to conclude the report issued to Mr E had accurately reflected the discussions and the Partner had proceeded in good faith, believing the same to be true.
- Regarding risk, when assessing attitude to risk (ATR), many factors were considered, including previous investment experience, personal circumstances, objectives and the intended investment period.
- The documentation showed that the Partner discussed Mr E's ATR during each meeting, and he agreed to invest in the Balanced Income Portfolio. This was consistent with his objectives and provided suitable diversity and risk management.
- There was no evidence Mr E invested too much or didn't retain a reasonable emergency fund. He had plenty of assets and net disposable income and no withdrawals were made from the plan for almost four years, indicating the investment was affordable. There were no changes in his financial circumstances expected within the first five years.
- The records indicated Mr E had already used his cash allowance with his existing provider for 2012-13 and wanted to invest £5,640 to use the remaining half of that year's ISA allowance. The suitability letter said it advisable to invest the full ISA allowance before considering other investments. The money was invested with SJP for the same reason that Mr E was then recommended a transfer of his cash ISA later in 2015. He'd wanted to invest for increased growth and to benefit from face-to-face and ongoing advice which wasn't available from the existing providers.

An investigator then considered the Mr E's complaint and also concluded that it shouldn't be upheld, for broadly similar reasons to those given by SJP. In respect of the withdrawals taken in 2016 and 2017 he noted that there'd been nothing recorded at the time of the advice that would've led the adviser to conclude that a medium to long-term investment wasn't suitable.

Mr E's CMC didn't accept the investigator's view, primarily on the basis that it felt his ATR hadn't been properly assessed in 2012 and a 'medium' level of risk had simply been

assumed when the later recommendation was made in 2015. It also felt Mr E should've been advised to invest via his existing providers and SJP's failure to do so meant it failed to advise him with due care and attention and caused him to incur unnecessary costs.

As no agreement could be reached, the matter was referred to me to review.

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.

I think it's important to bear in mind that when Mr E was advised by SJP in 2012 he was already an existing client of the Partner, who had previously advised him, and his wife, regarding their general finances and pension provision. The relation also continued after the two recommendations being considered here. I think against that backdrop it makes the likelihood that Mr E actively wanted to transfer money to SJP to invest, to receive the type of service he'd experienced previously, more understandable.

In both cases, Mr E moved money from cash ISAs into stocks and shares ISAs as it was recorded that he wanted to benefit from better returns, as cash rates at the time were very low. I accept that he could've looked to utilise his existing providers, and it does appear this was considered, certainly in respect of the 2015 advice. It was recorded that he and the adviser discussed moving one of his existing stocks and shares ISAs to SJP, but he said he was happy with it and its performance. This suggests to me that Mr E was in an informed position and understood the choices he was making. The disadvantages of moving the money to SJP were recorded alongside the advantages and Mr E was provided with full information regarding the costs of the new product.

Regarding his ATR, while I accept there doesn't appear to have been a comprehensive assessment process, such as a questionnaire completed, it was recorded that a detailed discussion of risk took place. And given Mr E's investment experience, both financially and in property, and what was recorded as his intended term of investment I've not seen anything to suggest that investing at a medium level of risk wasn't suitable for him. It seems consistent with his circumstances and objectives at the time.

The recommendations also left Mr E with reasonable amounts on deposit. And as the background I set out above shows, his circumstances were evolving frequently, with his employment status changing and several land sales completing that would've provided him with financial flexibility. It was noted when the second recommendation was made that Mr E would be left with a little less ready cash than the adviser would usually recommend for an emergency fund. But Mr E was unconcerned by this precisely because of the alternative sources of income. As such, I'm satisfied that on both occasions the recommendations were affordable.

The CMC has highlighted the early withdrawal and then full surrender as an indication that Mr E's circumstances weren't properly considered by the Partner. But it was clearly recorded that the investments were intended to be held for the medium term of five to 15 years with no indication that the money would be required sooner. It appears that the withdrawal and surrender were prompted by Mr E's decision to purchase a property. He'd been involved in property investment for some time, so it would appear the decision to withdrawal was simply down to a change in circumstances, which, as noted, Mr E frequently experienced given his various interests.

In summary, I'm satisfied the advice provided to Mr E by SJP in both 2012 and 2015 was suitable.

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 Mr E to accept or reject my decision before 27 October 2025.

James Harris
Ombudsman