

## **The complaint**

Mrs K complains that Mercer Limited has failed to provide her with an ongoing service after she became a member of her former employer's group stakeholder pension plan ('GSPP') on the advice of a business that Mercer later acquired.

## **What happened**

In 2004, Mrs K says she received advice from a business I'll call 'Firm G' to join her former employer's GSPP, provided by Standard Life. She says Firm G advised her on the choice of funds within the GSPP and in the following years, advised her what to do about contracting out and her level of contributions.

In 2006, Mrs K left her employment and she says Firm G also advised her of her options in relation to continuing with the pension. This resulted in her converting the GSPP to an Individual Stakeholder Pension Plan ('ISPP').

It appears that Firm G was taken over by a business I'll call Firm J in late 2007. Mrs K asked Firm J to provide her with a breakdown of the contributions she'd paid into the ISPP, which was provided to her.

In 2018, Mercer acquired Firm J.

In 2023, Mrs K found out that Mercer was her adviser after contacting Standard Life. Standard Life told Mrs K that commission was being paid to Mercer so Mrs K contacted Mercer to follow this up.

In July 2024, Mrs K complained to Mercer that it had initially failed to find the details of her plan and denied it was her adviser, which caused her a great deal of inconvenience. She was also unhappy that Mercer hadn't been in contact with her or provided her with any service since taking over the contract of services she'd had in place with Firm G and then Firm J. She requested compensation of £1,000 and asked Mercer to explain the services it could provide her with going forwards.

Mercer didn't uphold the complaint, although it apologised for the confusion when it tried to identify her plan. It said the GSPP had been set up by Mercer on behalf of her former employer – all members within the GSPP would have Mercer as the adviser attached to the plan. It said when Mrs K left her employment and converted the pension to an ISPP, Mercer remained as the adviser attached to it. It said Mrs K hadn't paid any commission to Mercer, Standard Life had paid the commission to it instead. And removing Mercer from her ISPP would have no effect on the value of her plan. Mercer said if Mrs K wished to engage the services of Mercer it would be happy to arrange an adviser to contact her, but this would incur costs.

Mrs K remained unhappy and referred her complaint to the Financial Ombudsman Service.

The Investigator considered the complaint and made the following findings:

- Mrs K didn't have any arrangement with Firm G (or the businesses that later acquired it) for it to provide her with an ongoing advice service; the commission paid by Standard Life was payment for Firm G setting up the GSPP.
- Mrs K would've paid the same for her GSPP and then ISPP regardless of whether Mercer was receiving commission from Standard Life.
- Firm G and later Firm J carried out Mrs K's instructions but that is not evidence of it being obliged to provide her with an ongoing service or advice.
- He was satisfied that Mercer would provide Mrs K with advice if it was required but that was a service she'd have to pay for.

Mrs K disagreed, saying that because Firm G, then Firm J and Mercer received commission, it allowed them to be named as her adviser. The commission was consideration in return for a service to be provided to Mrs K. The consideration given by her formed a binding contract between her and the successive firms. Mrs K believes this is different from the consideration given by Standard Life to Firm G for arranging the pension initially.

Mrs K also added that Standard Life had since informed her that:

*'When we process a bulk novation of business from one company to another, we require them to provide confirmation of the continued servicing of the policies that are now being transferred to their company in exchange for the commission or adviser charging that is being paid and we received that. We do therefore see the payment of ongoing commission or adviser charging as payment in relation to the ongoing servicing provided by the financial adviser.'*

She asked Standard Life to give more information on what 'servicing of the policies' involves and it responded:

*'If there's an adviser on a plan they may ask for information about the plan, tell us about a change of address or name, instruct a fund switch, be involved in a request to transfer for example. It would really depend on what their customer need.'*

Mrs K said that surely the lack of servicing by Mercer is a breach of contract. Mrs K needed information about her pension so that she could decide whether to restart contributions and Mercer, having received significant monies since the pension started, should provide this.

The Investigator wasn't persuaded to change his opinion so the complaint has been passed to me to make a 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.

Having done so, I'm not upholding this complaint for largely the same reasons as the Investigator.

Given that I agree with the Investigator's findings, I don't intend to repeat them all here. I will, however, address Mrs K's further comments and provide additional explanation where it would be helpful.

I think it is first important to distinguish between ongoing advice and ongoing servicing. As the Investigator explained, Mrs K did not have any agreement in place with Firm G or the

businesses that acquired it to provide her with ongoing advice after the initial advice was provided. The suitability letter issued by Firm G in September 2004 didn't say that it would be providing Mrs K with ongoing advice.

Mrs K says that the fact Firm G, and then Firm J and Mercer continued to receive commission after the original advice is evidence that she provided consideration for ongoing advice/services. But the illustration for her Standard Life GSPP said that for arranging the plan Standard Life would pay commission to Firm G each month until the plan ended, and that Firm G had chosen to take some of the commission as a lump sum now. As such, both the initial commission and ongoing commission paid by Standard Life to Firm G was payment for setting the plan up, not for any future advice or services.

It's possible that Mrs K may have understood things differently; she says that she allowed the firms to continue to be noted as her adviser, but she could've removed them, which would've meant the commission ceased. She says that this was consideration and formed a binding contract between Firm G and the successive businesses. But the fact remains that the commission was being paid to Firm G and its successors by Standard Life, not Mrs K, as payment for arranging the pension.

Although Firm G and the later firms were not contracted to provide Mrs K with ongoing advice, they were still named as the adviser attached to Mrs K's GSPP and then ISPP. For clarity, an adviser can be attached to a pension without there being an agreement for it to provide advice on an ongoing basis. But as the adviser attached to the plan, Firm G, Firm J and then Mercer could be expected to provide information to Mrs K if she asked for it, and it could pass on Mrs K's requests or instructions to Standard Life. This would fall within the scope of servicing. However, I would expect this to be driven by Mrs K, not the adviser. It's evident that Firm G and Firm J responded to requests for information made by Mrs K in 2007 and 2008, rather than proactively providing those services.

Mrs K says that she expected the same service from Mercer from 2018. But it's evident that she didn't make any requests or reach out to her adviser between 2008 and 2023.

I appreciate Mrs K says she didn't need to, but I wouldn't have expected Mercer to proactively contact Mrs K about her pension. I would, however, have expected it to provide Mrs K with information if she requested it, or action any requests she may have had in respect of making further contributions or making a withdrawal. I don't believe that Mercer is refusing to do this. But if Mrs K requires advice on her options, or the rules and regulations affecting pensions, which is what it sounds like she needs now, that would likely come under the scope of advice and would incur new fees.

I know that Mrs K encountered problems with Mercer and it wasn't immediately able to locate her plan details, but it apologised for this and explained why it experienced difficulty finding it. And while I appreciate that it took time for Mercer to acknowledge that it was the adviser attached to her plan, I can't see that this has caused any detriment to Mrs K, particularly as she had previously been in touch with Standard Life and had her pension details.

Overall, I'm not persuaded that Mercer has treated Mrs K unfairly so I'm not upholding her complaint.

**My final decision**

For the reasons given above, I'm not upholding Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 26 November 2025.

Hannah Wise  
**Ombudsman**