

The complaint

Mrs B complains about the advice and service received from Progeny Wealth Limited ('PWL') in relation to her pension. PWL provided Mrs B with ongoing advice. She believes the advice received from 2019 to 2023, including changes to product providers and investments held, was potentially unsuitable for her and may have caused a loss.

Mrs B's husband, Mr B, has made a similar complaint in respect of his pension, which we are looking at under a different reference number. This decision is looking at Mrs B's complaint. However, as there is some overlap between the two complaints, where necessary I've referred to the relevant circumstances relating to Mr B.

What happened

Mr and Mrs B were customers of another financial adviser for several years which provided ongoing advice about their pensions, before PWL. Although Mrs B is unhappy with the actions of PWL from 2019 – 2023, I've summarised some of her and Mr B's earlier dealings with the previous advising business, for context.

I've seen a copy of an investment summary from April 2014. This details Mrs B's pension, at that time, was held with a provider I'll call 'E' and valued at just under £28,700. Mr B's pension referred to a different provider, which I'll call S. Both pensions had investments in AstutePortfolio 60 ('AP60'). I understand this was one of the investment portfolios available to customers of their adviser at the time. The number, 60, referred to the percentage of the funds in growth targeting investments (largely equities) which bore more risk, with the remainder in defensive, more secure assets.

An investment report from April 2016 shows that, by that time, both Mr and Mrs B's pensions were provided by E. And both pensions were still showing as invested in AP60 at that point.

I've seen a copy of an email dated 15 November 2016, to Mr and Mrs B from their adviser. This summarised that Mr and Mrs B had recently completed a risk profiler and gave a summary of the scores – which outlined their attitude to risk. The email noted that the scores supported investment in AP60. But it confirmed that the pensions had recently been moved to AP20, as they had requested.

The annual summary in April 2017 confirmed the pensions were invested in AP20, although new contributions were in 'Regular 60' – meaning new contributions to the pension were initially invested in a different asset mix. I understand regular contributions were being made to Mrs B's pension.

A meeting summary from 18 July 2017 noted they'd last met with their adviser in October 2016 which was when the switch to AP20 had taken place. It said the reason for this was that markets had performed well, and Mr and Mrs B hadn't wanted to risk losing growth that they'd enjoyed, so had decided to switch to a lower risk investment portfolio.

The meeting note said that since moving to AP20, while financial markets had continued to perform well, growth of Mrs B's pension had been a lot less – as it was invested more

defensively. So, Mr and Mrs B were now looking to move to AP40.

A summary from April 2018, showed Mrs B's pension remained invested in AP40 with new regular contributions, as before, in 'regular 60'.

In July 2018, a risk tolerance report was carried out for Mrs B. This summarised that she was prepared to take a medium level of risk with her financial decisions.

The next written summary of Mrs B's pension was dated 3 June 2019. This came from PWL. I understand that PWL had acquired the business that had previously advised Mrs B, and customers were being transferred over. But the specific adviser that was Mr and Mrs B's point of contact remained the same as they also transferred over to PWL. Mrs B's pension investments were still in AP40 and regular contribution 60.

On 7 June 2019, Mr and Mrs B signed a PWL client service agreement. This said that PWL was to provide on-going advice and that the cost of this was 1% of the investment amount per year. It noted that it was not compulsory to sign up to PWL's ongoing service.

PWL emailed Mr and Mrs B on 10 June 2019, thanking them for meeting the previous week, at which the terms of business were signed. PWL provided comparisons of the performance of AP40, AP50 and AP60.

Mr B replied asking for confirmation that his and Mrs B's main investment were still in AP40 with their regular contributions in AP60. PWL replied on 2 July 2019 confirming this and said it recommended that all investments be moved to AP50. Mr and Mrs B replied the following day agreeing with PWL and asking for this to be implemented.

PWL sent Mr and Mrs B an annual review report on 5 July 2019 along with a form to complete to agree to the recommendations it had made. The report set out PWL's understanding of Mr and Mrs B's circumstances.

It noted that they were both in full time work for a company that Mr B owned outright. It said that they intended to relocate in approximately 5 years when their eldest son was expected to no longer be financially dependent on them and would reduce their hours but would continue to work. In addition to their pensions, PWL summarised that Mrs B had approximately £50,000 in savings, while Mr B had around £120,000. Mr B also had approximately £40,000 in investments. They jointly owned their home, which was estimated to be worth £700,000 with an outstanding mortgage of approximately £120,000. And Mr B also owned another property jointly with his brother that was being rented out to provide a further income.

PWL said Mr and Mrs B had a medium risk profile – as had been the case when assessed previously – and were prepared to take moderate amounts of investment risk to increase the chances of a positive return.

PWL explained that it regularly reviewed its platform provider and was moving to using a new provider, which I'll call Q. It was also now offering "new AstutePortfolio's" operating on a discretionary mandate – it would manage funds on a discretionary basis, meaning it could make changes and rebalance a portfolio promptly without having to request investor consent on each occasion.

PWL recommended that Mr and Mrs B transfer their pensions to Q and invest in the new AP50, utilising its discretionary fund management. It said that there was a small cost increase associated with this (0.08% of the investment value), although it had negotiated significantly reduced fees with Q, and a small upfront cost of approximately £205 total for

them both. But it said by switching Mr and Mrs B could benefit from the discretionary mandate which their existing provider could not offer, Q had no minimum cash balance requirement, unlike their existing provider, meaning more of their money could be invested and they could continue to make regular employer contributions from Mr B's business for tax efficiency. Mr and Mrs B accepted these recommendations.

A portfolio report produced in May 2020 confirmed that Mrs B's pension remained invested in AP50. This included approximately 43.5% in short-dated bonds (as part of the 50% in defensive assets). PWL has provided a meeting note detailing the annual review conducted in June 2020. No changes to the investment strategy were recommended at that stage. This was confirmed in a letter on 4 August 2020.

The next portfolio report was dated June 2021 and showed that Mrs B's pension remained invested in AP50. The holdings in short-dated bonds had reduced to 37.8% of the portfolio. PWL has also provided meeting notes for the annual review meeting which took place on 11 June 2021. Mr and Mrs B say they raised concerns at that meeting about the performance of their pensions, in particular the holdings in short-dated bonds. The meeting notes didn't record this but said that attitude to risk needed to be reviewed before a report and recommendation could be completed.

I can see that PWL emailed Mr and Mrs B on 15 and 23 June 2021, in follow up to the meeting. And it provided information relating to pension returns for them to check against their own calculations. And an attitude to risk assessment was carried out on 14 July 2021. This again concluded that Mrs B was willing to take a moderate - medium degree of risk with her financial decisions.

Mr and Mrs B next emailed PWL on 15 March 2022. They said they agreed with the calculations it had sent on 15 June 2021. They said that the main issue they had with the pensions was that approximately 40% was invested in short-dated bonds which were providing a very low return. They said if this 40% was spread over the other assets within the portfolio, with nothing in these bonds, their returns would be significantly better. Mr and Mrs B said this was the point they'd been trying to make previously and said they wanted to discuss this again when they next met.

Also in March 2022, I understand Mrs B's pension investments were rebalanced into funds now offered by Progeny Asset Management Limited. These investment funds were referred to as 'Tempo'. So, from that point forward, Mrs B's pension investments were referred to as being in 'Tempo 50'. PWL said the risk profile and objectives had remained unchanged.

Mr and Mrs B met with PWL on 11 May 2022. It recorded that their objective was to maintain their standard of living into retirement and they were still looking at relocating in a couple of years' time. The notes said that they had an extended discussion about risk and return and Mr and Mrs B were concerned that the lowest risk portion of their investments had underperformed. It was noted that Mr B's investments were now under Tempo 50, the defensive element of which was based on different bond holdings. But it was agreed that Mr and Mrs B would prefer to move to Tempo 60 – with greater investment for growth.

PWL sent Mr and Mrs B an annual review report on 23 June 2022, summarising the meeting and confirming PWL recommended a switch to Tempo 60 which was aligned with their medium attitude to risk.

Mr and Mrs B contacted PWL by email in January 2023 asking for the value of Mr B's pension as he hadn't been able to access its portal. I can see that once PWL provided this, they questioned the fall in value of the pension. Correspondence continued between the parties. On 22 March 2023, Mr and Mrs B repeated that the bond market had performed

poorly for a long time and they were unhappy about this. They noted they'd been saying that for a few years but the only option under the pensions with Q was to move between portfolios with higher exposure to equities. They also asked if there was a way to mitigate the charges they were paying.

PWL responded and said Mr and Mrs B could move to a non-advised basis, opting out of ongoing advice. It suggested they think about whether they felt they'd need advice over the next several years.

Mr and Mrs B replied on 30 March 2023 and asked to move to a non-advised basis. They said it was not an easy decision but they considered the portfolio to be rigid and they didn't expect to access their pensions for several years.

Mrs B complained to PWL in October 2023 (at the same time as Mr B). In summary she said she hadn't been provided sufficient information when she'd received advice, in order for her to make an informed decision, including about charging structures. She said she'd raised unhappiness with the amount of her pension invested in bonds but PWL hadn't recommended changes and it was clear that a portfolio with a greater exposure to equities would have performed better. So, she thought she'd been caused a loss due to PWL not providing suitable advice, for which it should compensate her. Mrs B said she hadn't been informed that the ongoing advice was optional at any stage. And she thought PWL should at least refund the ongoing advice charges from July 2021, as it had not acted on her dissatisfaction about the exposure to bonds.

PWL did not uphold Mrs B's complaint. It was satisfied it had recommended suitably balanced investments based on her attitude to risk. It said it had documented the change in charging structure when it advised her to transfer to Q. The client service agreement had highlighted that the ongoing advice was optional and it said Mrs B had benefitted from that advice.

Mrs B asked our Service to consider her complaint. One of our Investigator's looked into it and thought it should be upheld in part. They didn't think the recommendation made in 2019 to transfer to Q was suitable as they didn't think Mrs B had a need to pay for discretionary fund management. They were satisfied that Mrs B would likely have moved her pension, as the existing AP40 wasn't necessarily in line with her attitude to risk. But they thought she'd have invested differently to how she did.

In terms of the ongoing advice fees, they noted that the optional nature had been set out in the client agreement and Mrs B had benefitted from the service in most of the years she was paying for it. But, although work had been done in 2021, including a meeting between the parties, the Investigator noted that no annual report appears to have been produced that year. So, they recommended that PWL refund the relevant fee and compensate Mrs B for the unsuitable advice in 2019.

Mrs B still considered fees for ongoing advice should have been refunded from the point she raised concerns about the performance of the pension.

PWL also didn't agree with our investigator's opinion. It said that the recommendation in 2019 was suitable, as the discretionary fund management was useful and the investment balance in the new fund was appropriate for Mrs B. PWL also said that a review did take place in 2021 so disagreed that the fee for ongoing advice that year should be refunded. Lastly, it noted that Mrs B's concerns were not with the risk profile of the funds but their performance.

I issued a provisional decision earlier in June 2025 explaining that I thought Mrs B's

complaint should be upheld in part. Below are extracts from my provisional findings, explaining why.

I've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

As I've summarised, PWL was providing ongoing financial advice to Mrs B (as well as Mr B). And her complaint, much like Mr B's, is that this advice potentially was not in her interests at times and may have caused her to incur losses. For ease of reading, I'll look at the fees charged for ongoing advice and the suitability of that advice separately.

Ongoing adviser charges

As a regulated firm, there were many rules and principles PWL needed to adhere to when providing advice. Many of these are found in the regulator's, the Financial Conduct Authority ('FCA'), handbook under the Principles for Businesses ('PRIN') and the Conduct of Business Sourcebook ('COBS'). And in relation to ongoing advice charges, the following provides useful context for my assessment of PWL's actions here.

In 2014, the FCA produced guidance in the form of a factsheet titled "For Investment advisers - Setting out what we require from advisers on how they charge their clients". The factsheet said:

Ongoing charges should only be levied where a consumer is paying for ongoing service, such as a performance review of their investments, or where the product is a regular payment one. If you are providing an ongoing service, you should clearly confirm the details of the ongoing service, any associated charges and how the client can cancel it. This can be written or orally disclosed. You must ensure you have robust systems and controls in place to make sure your clients receive the ongoing service you have committed to."

While the factsheet wasn't published until late 2014, it didn't mark a change to the rules firms like PWL were already expected to follow. Rather it re-enforced or reminded firms of the standards already in place when providing on-going advice services.

And there are specific rules and guidance within COBS about ongoing advice charges. COBS 6.1A.22 says:

"A firm must not use an adviser charge which is structured to be payable by the retail client over a period of time unless (1) or (2) applies:

- (1) the adviser charge is in respect of an ongoing service for the provision of personal recommendations or related services and:*
 - (a) the firm has disclosed that service along with the adviser charge; and*
 - (b) the retail client is provided with a right to cancel the ongoing service, which must be reasonable in all the circumstances, without penalty and without requiring the retail client to give any reason; or*
- (2) the adviser charge relates to a retail investment product or a pension transfer, pension conversion or pension opt-out or arrangement with an operator of an electronic system in relation to lending for which an instruction from the retail client*

for regular payments is in place and the firm has disclosed that no ongoing personal recommendations or service will be provided.”

PWL took over the provision of ongoing advice from Mrs B's previous advising business in 2019, although her specific adviser remained the same. And Mrs B signed PWL's client service agreement in June 2019. This confirmed that where PWL agreed to provide ongoing reviews of the suitability of Mrs B's products and investments, it would do so “at least annually”. And it said it would issue a report setting out the results of its assessment each year. The terms went on to explain that Mrs B could end the agreement at any time, without penalty by doing so in writing. The fee was confirmed as being 1% of the value of Mrs B's investments. And the terms said “It is not compulsory for you to sign up to our Premier Client on-going advice service but if you do, this service may be cancelled at any time.”

Mrs B also signed an updated version of the client service agreement in 2022. This repeated that the service was optional and could be cancelled at any time without penalty and that this could be done in writing. It set out the cost of the service and again summarised that PWL would confirm any recommendation in writing, would carry out a review at least annually and would issue a report setting out the results of its review and assessment.

I'm satisfied from the terms Mrs B signed that PWL made her aware of the cost of the ongoing advice service in a clear and understandable way. It also explained that the service was optional and could be cancelled and how this could be done. And it gave a clear outline of what the ongoing advice service entailed – reviews at least annually with PWL being obliged to issue a written summary to Mrs B. And this was done before it provided its first review report on 5 July 2019. So, I'm satisfied that PWL gave Mrs B the information it ought to have about the ongoing advice service which she agreed to.

Mrs B has said that PWL should have done more to make her aware that the service was optional, particularly after she became dissatisfied with the performance of her investments. But I don't think PWL has acted unfairly. The service agreements both make it clear that the ongoing review service was optional – the second of which Mrs B signed after raising performance concerns. I haven't seen anything to support that Mrs B questioned the fees prior to March 2023. So, I don't think, prior to that, PWL had any reason to doubt that Mrs B understood the contents of the service agreements she'd signed and that the service was optional. So, I don't think it's fair to say it should have reminded her of this, unprompted.

In terms of whether PWL provided the service that it said it would, I'm satisfied that the information supports that it met with Mr and Mrs B at least annually to conduct a review. As I've explained above, I've seen evidence of review meetings taking place in June 2019, June 2020, June 2021 and May 2022. Mrs B cancelled the ongoing service before a further review was due in 2023.

I've also seen copies of written summaries and recommendations issued by PWL following the 2019, 2020 and 2022 meetings. I know Mrs B is unhappy with the advice itself – and in particular the performance of some of the investments – which I'll come onto shortly. But I'm satisfied that the 2019, 2020 and 2022 reviews were conducted in line with the service agreement between the parties. So, I don't think PWL has done anything wrong by charging the associated fees for those instances of advice.

Like our Investigator though, I don't think PWL did what it should have in 2021. It is clear that there was communication about an annual review as meeting notes refer to a meeting which took place on 11 June 2021. These notes said though that Mrs B's attitude to risk needed to be reviewed again before a report and recommendation could be completed.

An attitude to risk assessment was carried out for both Mr and Mrs B in July 2021. This

concluded they were still willing to take a medium degree of risk with their financial decisions. But there is no evidence of any follow up meeting or a written report of PWL's review being issued. And PWL has recently acknowledged that it did not fully meet its obligation for that year.

I've thought about what the fair way to address this is, given there was some contact and a review meeting seems to have taken place. Had a recommendation been given and agreed verbally and the error was purely administrative of a written report just not being posted, I might have concluded that it was reasonable for the charge for the service to stand. But given the content of PWL's notes for that meeting suggest that no recommendation or course of action for Mrs B's pension investments was discussed or agreed – as this couldn't be done until a later point – I'm currently minded to say that the fees for the 2021 ongoing advice should be refunded in full, as the review was not provided.

Suitability of the advice

Mrs B has raised concerns about the suitability of the ongoing advice that PWL provided her from 2019 to 2023. The majority of the recommendations involved moving to investment portfolios with different risk levels. But the advice that formed part of the 2019 review also involved a change of provider. So, I've addressed this separately.

2019 recommendation to change provider

In July 2019, PWL recommended that Mrs B change pension provider to Q and move into AP50 (50% of her investments in growth assets) from AP40. The suitability report summarised that the reason for recommending the change of provider was that although it would result in a small initial cost and ongoing cost increase, PWL would be able to manage Mrs B's portfolio under its discretionary mandate, which the existing pension provider didn't support. And AP50 was in line with her attitude to risk.

It went on to explain that PWL regularly reviewed its platform provider and had determined that Q was now the most cost competitive solution. In addition, it had made changes to the underlying investments in the AstutePortfolio that would be offered via Q, which it believed would reduce risk. And the discretionary mandate would allow the portfolio to be rebalanced without PWL having to contact Mrs B for explicit consent each time. At the same time though it said there was no guarantee of better performance.

PWL assessed Mrs B as having a medium attitude to risk. And I think this was reasonable based on the answers she gave it, as well as her circumstances and objectives. The AP50 had 50% invested in equity and 50% in fixed interest funds and bonds. Based on what I've seen I think the portfolio was reasonably well diversified and consistent with Mrs B's medium attitude to risk. So, I think it was suitable for her, and I think the recommendation to move from AP40 to AP50 was reasonable.

I know Mrs B has also questioned the change of providers to Q and whether she was provided enough information about this and the costs involved.

I'm satisfied that the suitability report did give clear information about how the costs of the recommended portfolio compared to what Mrs B held at the time. There was a specific section of the report titled 'Plan Comparisons' which set out the costs under the two arrangements and that the total ongoing cost for AP50 with Q would be 0.08% higher per year, as well as giving a monetary example based on the value of the pension at the time (an increase of £52). There was a separate section of the recommendation specifically covering charges associated with the new plan that also set out the upfront cost of transferring. And the ongoing advice cost was made clear as well. So, I'm satisfied PWL

provided clear information about the cost of following its advice.

Where I think it could have improved is in explaining why incurring these additional costs was suitable for Mrs B.

PWL said there was no guarantee that the new portfolio would outperform Mrs B's existing pension – so was honest about this. And its summary of the cumulative past performance of the funds supported that as there was very little difference between them (although – as PWL noted – past performance is not an indication of future returns). So, at first look, the information appears to suggest the transfer offered little financial benefit to Mrs B.

PWL highlighted that she'd benefit from its discretionary mandate. But Mrs B was paying for ongoing advice and the history of how her pension was operated shows she had engaged regularly with this process and made a number of changes to her pension over the years. So, again I can understand why, looking back now (because she didn't question it at the time), she might wonder if this was necessary.

PWL has now explained that part of the reason for introducing its discretionary mandate was that it had come to consider only rebalancing at annual review presented a risk to customers. And it said this was supported by independent research. So, it had taken the decision to move away from this. I think it was reasonable for PWL to take this type of decision about the services it provided and how these would operate moving forward – as it was matter of its commercial discretion to an extent. But these reasons weren't explained in the recommendation to Mrs B. And I think they ought to have been.

In addition, as I've said, PWL also said in its recommendation it believed Q was now the most cost competitive platform provider. But Mrs B was looking at an increase in costs. So, I can understand again why she has now questioned this. PWL has now explained though, because it had chosen a new platform provider, Q, it would no longer have supported the existing pension with E. Which would have meant there would have been no ongoing governance and oversight and PWL would not have rebalanced those portfolios, meaning the investment mix within them may have fallen out of line with Mrs B's attitude to risk. So, by remaining with E, Mrs B would have lost access to a significant level of ongoing service.

Looking again at the history of how Mrs B had managed her pension, it is clear that she utilised the ongoing advice and made several changes to her pension, in particular its investment mix, over the years. And I think in her particular circumstances, maintaining the relationship with her adviser with oversight of her pension and them conducting rebalancing on her behalf was a service that it was in her interests to retain. And this supported that a transfer was suitable, even with the marginal cost difference. And I think the recommendation to move to the pension with Q was suitable for Mrs B. But again, this reason wasn't communicated by PWL to Mrs B as part of its recommendation.

Taking all of this into account, I find that I disagree with our Investigator that PWL recommending Mrs B transfer her pension to Q was unsuitable for her. I think in her specific circumstances, it was an appropriate recommendation. But I don't think PWL explained the reasons why transferring was suitable in as much depth as it should have done. I believe PWL's opinion on why it was important to move to a discretionary mandate and why the pensions with E were potentially now less suitable were relevant to the advice. And I think they ought to have been explained to Mrs B.

Ultimately though I don't think this would have made a difference to the position Mrs B found herself in after the advice. She agreed to transfer to Q based on the information that PWL did provide. So, on balance, if it had provided further explanation and reasoning to support the suitability of the transfer, I think it's likely she'd have still gone ahead.

The ongoing advice and investment performance

The main other area of concern Mrs B raised was the performance of some of her investments, in particular the funds which were invested in short-dated bonds, which she says she first raised in 2021 when she and Mr B met with the adviser (the annual meeting that erroneously wasn't followed up by a recommendation). Mrs B thinks PWL didn't act in her best interests, after these concerns were raised.

The meeting note from 11 June 2021 doesn't detail this concern being raised. But, on balance, I'm satisfied it was discussed. I say this because the adviser emailed Mr and Mrs B on 15 and 23 June 2021, in follow up to the meeting providing information relating to pension returns to check against their own calculations. Indicating that returns and performance was a point of discussion.

I understand, this wasn't picked up again for a while. But I can see that on 15 March 2022 Mr and Mrs B emailed PWL. The email noted they agreed with the calculations sent to them in PWL's email of 15 June 2021. It said that the main issue they had with the pension was that approximately 40% was invested in short-dated bonds which were providing a very low return. And if this 40% was spread over the other assets within the portfolio, with nothing in these bonds, the returns would be significantly better. The email said this was the point they'd been trying to make previously when they spoke. I'm satisfied that this was a reference to the meeting in June 2021. So, overall, I think the concerns about the performance of this investment within the portfolio were raised in June 2021. But I'd note the performance of investments is outside of PWL's control.

As I've explained, Mrs B's pension – much like with most pensions – was split between growth and defensive investments. Growth investments, as the name suggests, generally offer the potential for higher growth but are more risky and usually subject to greater fluctuations. The most typical growth investments being equities. Defensive investments are intended to provide a steadier return but be less susceptible to market shocks. Typical defensive investments include government gilts, bonds and cash. The balance between growth and defensive investments in a pension will be dependent on a consumer's attitude to risk.

The attitude to risk assessments carried out by PWL indicated that Mrs B was willing to take a moderate – medium amount of risk in respect of her investments, in order to achieve growth. And looking at the information provided, I think these assessments were fair. When it recommended transferring to Q in 2019, PWL said Mrs B should invest approximately 50% in growth investments with the remainder in defensive investments. And as I've already said, I think that recommendation was suitable.

I can see in 2020, PWL recorded that Mrs B's attitude to risk was unchanged. And so, it didn't suggest a change from AP50. And again, I think that was fair.

A full review wasn't conducted in 2021, although it should've been. But the attitude to risk questionnaire that Mrs B completed at that time, indicated that AP50 remained suitable for her.

By 2022, Mr and Mrs B had raised their unhappiness with the performance of the defensive investments in the pension. And I can see that PWL recommended she move to a Tempo 60 portfolio (increasing the growth investments to 60%). PWL has said that this was still considered suitable for a medium risk investor. But was just more indicative of someone who wanted to take marginally more risk. Given the unhappiness Mrs B had expressed, I again think this recommendation appears to have been suitable based on her position at the time.

So, I'm satisfied that the level of risk with investments that PWL suggested Mrs B take during that period of time was in line with her attitude to risk. And so, I think the portfolios were suitable for her in the circumstances.

I recognise that Mrs B is unhappy with the performance of short-dated bonds and says if she hadn't been invested in these at all, with her investments spread over the other investments in the portfolio, she'd have been much better off. The performance of an investment isn't something that I'd generally uphold a complaint about. This was not something PWL could influence. And I don't think holding bonds as part of the portfolio was unreasonable. I also don't think the proportion of Mrs B's pension invested in bonds was unreasonable. The level did fluctuate between 2019 and 2022. But not in a way that meant the portfolio was no longer in line with Mrs B's attitude to risk.

The switch from AstutePortfolio to Tempo included a change of bond holdings, away from the short-dated bond investment that Mrs B had been unhappy about.

The alternative way of investing Mrs B has talked about would've put a significantly higher proportion of her pension funds into growth assets. Which in turn would've meant that the portfolio would not have been suitable for her attitude to risk. And while, with the benefit of hindsight I can see why this would've been appealing, I don't think it would've been reasonable or suitable for PWL to have proposed this.

Mrs B is unhappy that PWL didn't react or advise her to make changes after she raised the issue of poor performance. But as I've said, the portfolios it recommended were appropriate to her attitude to risk. PWL said it couldn't offer an alternative investment within a recommended portfolio and couldn't influence the fund manager to change a particular holding, which isn't uncommon or, in my view, unfair. And while I know Mrs B was disappointed with performance, it is worth noting that a pension is a long-term investment, and markets tend to be cyclical. I wouldn't reasonably have expected PWL to have reached the conclusion that short-dated bond holdings were unsuitable based on the market fluctuations that occurred or to have advised Mrs B to make changes, given the portfolio remained in line with her attitude to risk.

So, while I know this will come as a disappointment to Mrs B, I think the PWL's ongoing advice was largely suitable for her.

Responses to my provisional decision

I gave both parties an opportunity to make further comments or send further information before I reached my final decision.

Neither PWL nor Mrs B provided any further comments for me to consider.

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, and as neither party has provided anything further for me to consider, I see no reason to depart from my provisional findings. So, for the reasons explained above, I think the recommendations made by PWL, including the investment mix were appropriate for Mrs B's attitude to risk. And the ongoing reviews have largely been carried out as agreed. But PWL didn't provide Mrs B the service it should have in 2021. And I think it should compensate her for this.

Putting things right

PWL failed to provide the service it had agreed to in 2021, as the annual review was not fully completed. The fees deducted from Mrs B's pension, in respect of the 2021 annual review should be refunded by PWL. This amount should be adjusted for growth had the fees remained in the existing investment funds, from the date the fees were deducted to the date of my final decision.

The compensation amount should be paid into Mrs B's pension plan if possible. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mrs B as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

If Mrs B has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to her likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this. If Mrs B has utilised her tax-free cash entitlement in full, then a deduction of 20% would be fair.

PWL should provide details of the calculation to Mrs B in a clear, simple format.

My final decision

For the reasons I've explained I uphold this complaint in part. To settle matters Progeny Wealth Limited should carry out the steps set out in the 'putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 1 August 2025.

Ben Stoker
Ombudsman