DRN-5535616

The complaint

Mr K has complained that St. James's Place Wealth Management Plc ('SJP') should have been more proactive in keeping him informed around the changes to annuity rates in 2022.

Mr K says that had SJP informed him that annuity rates were improving throughout 2022, he could have acted sooner and secured a higher annuity rate than that which was eventually put in place. As such Mr K believes SJP's failure to inform him has caused financial loss.

Mr K has also complained that once the process of putting an annuity in place began, SJP did not act quickly enough, allowing higher annuity rate quotes to expire.

What happened

Our investigator has already laid out a detailed chain of events to both parties in this case. Neither party has disputed the dates of the key emails or meetings which took place and as such I have only included a summary of those key points of contact in this decision.

Mr K has held his pension and been a client of SJP since 2012. Mr K had ongoing meetings with his SJP adviser roughly twice a year over the subsequent years.

In 2022 Mr K was aged 61, divorced with two non-dependent children, and had employment income of around £100,000. His retirement plans had been, up to that point, been to retire at age 65 and take his pension income via drawdown – although no set plan had been put in place given the time to actual retirement.

In 2022 Mr K became aware of rises in annuity rates available on the open market. Mr K researched the annuity market throughout 2022 and came to realise that with his medical conditions an annuity rate of around 8% may be achievable.

Mr K emailed SJP on 17 October 2022. This explained some of the research he had carried out and noted his thoughts on why an annuity was now being considered. The email requested SJP's thoughts on the matter *"over the next week or two".*

Mr K's SJP adviser began the process of researching the annuity market the following day.

A meeting between Mr K and SJP took place on 1 November 2022. SJP gathered information and the medical underwriting took place on 4 November 2022.

Mr K met with SJP again on 6 December 2022 to discuss the annuity further.

Mr K chose not to secure the value of his pension fund at this time, leaving the monies invested rather than switching them to a cash fund.

On 9 December 2022 SJP provided Mr K with an updated annuity quote. Mr K replied the same day confirming that he was happy to proceed with the quote provided.

Emails were exchanged between Mr K and SJP on 13 December 2022 confirming that further paperwork would need to be completed at short notice to secure the annuity rate quoted.

SJP's suitability letter confirming their advice in relation to the annuity was issued on 16 December 2022.

Further exchanges took places on 23 December 2022 where SJP confirmed current fund values. It was explained that as Mr K had made the decision to keep the funds invested these numbers were subject to fluctuations. Mr K thanked SJP for the work undertaken in securing the annuity.

Mr K's annuity income was secured at £38,247.75 per year, deferred for one year, with the first income payment being 9 January 2024. This annuity was based on the annuity rate quote from 9 December 2022.

Mr K registered his complaint with SJP on 29 March 2023. Within this Mr K stated that he believed there were avoidable delays during the setting up the annuity which led to higher annuity quotes expiring. Additionally, Mr K said he believed that SJP should have alerted him to rising annuity rates sooner, rather than him having to rely on his own research and raise the issue with SJP.

SJP issued their complaint response on 8 December 2023. This explained that SJP had considered the content of Mr K's most recent reviews with his adviser (in February and August 2022) with there being no indication that Mr K was looking to access his pension at these times. As such SJP did not believe here would have been any reason for the adviser to highlight changes in the annuity rate market at these times.

In addition, SJP did not believe there were any unreasonable delays to the annuity process in the period following Mr K's initial email in October 2022.

As such the complaint was not upheld. SJP did however offer Mr K £250 for any trouble and upset the chain of events may have caused and an additional £150 in respect of the delayed response to the complaint itself.

Mr K did not accept this outcome and referred his complaint to this service.

Our investigator looked into thing and concluded that SJP has not acted unfairly. The investigator concluded that SJP had not acted inappropriately by not discussing the annuity market with Mr K earlier in 2022, and that there had been no unreasonable delays in the establishment of the annuity itself.

Mr K did not agree. He remained of the opinion that rising annuity rates should have been highlighted to him and that his email in October 2022 was clear that an annuity should be put in place for him as soon as possible.

Our investigator was not minded to change their opinion and as such the case has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I would like to start by noting that the documentation on file shows that there were additional servicing issues around Mr K's SJP funds being moved to Aviva when purchasing the annuity, with issues around the actual amount which was to be transferred. This issue was dealt with separately and has not been considered as part of this decision.

I have firstly considered Mr K's point around SJP not making him aware of rising annuity rates throughout 2022 prior to his email to them in October of that year.

As part of their complaint response SJP stated that during Mr K's two review meetings earlier in 2022 no mention was made of any intention to access pensions in the near future and as such the adviser would have had no reason to discuss the annuity market.

Having looked at the documentation on file it does appear that Mr K made a significant change to his retirement plans at some point between his August 2022 review and his October 2022 email to SJP.

With a proposed retirement age of 65 prior to this point I see no reason why SJP would highlight the increasing annuity market in 2022. Mr K was in full time employment, around 4 years from his proposed retirement date, and had no need for any additional income.

Mr K has referred to his advisers' service charter which states, *"I aim to make people wealthier"* and said that as the annuity would provide more income that his drawdown projections, his adviser should have highlighted this, regardless of his term to retirement. Further, Mr K has stated that his SJP adviser had a conflict of interest in that using the funds held with SJP to purchase an annuity would reduce the advisers ongoing income from his annual pension charges.

Dealing firstly with the advisers' service charter, whether the annuity Mr K wanted would (or will) ultimately make him wealthier than an alternative drawdown solution is not something that the adviser would have been able to know at that time. Future changes to annuity rates, investment performance and Mr K's eventual lifespan will all impact which option ultimately maximises the income provided by each retirement option.

What SJP did have to do was ensure that any advice they gave Mr K with regard to his retirement planning was suitable, based on his circumstances and stated objectives at that time.

From the timeline of events above, as soon as Mr K highlighted a desire to consider annuities, semi-retire, and reduce his working hours SJP took action to provide appropriate advice in that regard.

Moving on to Mr K's assertion that SJP didn't highlight annuities in order to protect the income earned from fees on his existing pension, I can find no evidence that this was the case. Whilst I accept that the annuity / drawdown options would result in differing fee levels being paid to SJP over time, there is no evidence that this impacted SJP's actions here.

Overall, in line with what our investigator has already said, given Mr K's circumstances at the time I don't think SJP acted unreasonably in not highlighting the changes to the wider annuity market in 2022.

I have gone on to consider whether there were any undue delays in the setting up of the annuity.

Mr K's email of 17 October 2022 does make it clear that an annuity was something that he wanted to consider, and in response to our investigators findings Mr K has referenced the fact that within the email he said *"This may be a unique moment in time with a unique window of opportunity that won't last for ever. An opportunity not to be missed"* stating that this makes it clear the process of putting an annuity in place should commence.

However, the email concluded with the statement:

"As ever, I value your thoughts on the matter . . . . over the next week or two."

In line with the conclusion reached by our investigator I think that whilst the October email from Mr K marks the start of a conversation about annuities, it does not go as far as instructing SJP to start the process of putting one in place.

Documentation on file shows Mr K's adviser contacted his back-office support and began the process of researching annuities on Mr K's behalf the next day (18 October 2022) and as per Mr K's request, a meeting with SJP did take place on 1 November 2022, within the *"week or two*" timeline suggested by Mr K.

Following on from that meeting the medical underwriting process commenced and annuity quotes from numerous providers were requested.

Mr K has stated that the medical underwriting process should have commenced sooner, before this initial meeting on 1 November 2022. I however do not think it is unreasonable for SJP to wait until the initial discussions had taken place at this face-to-face meeting before commencing the underwriting.

As above, the October email was clear that SJP's thoughts on an annuity would be valued, and as such I believe it was reasonable for Mr K's adviser to wait until after this meeting had been held before commencing the underwriting.

A further meeting took place on 6 December 2022 where quotes were discussed. The advisers notes from that meeting state *"I met at his home yesterday and this was the first occasion whereby this 50/50 shall we do it shall we not as an outline idea was confirmed as a firm yes as opposed to an indicative, its looking in the right area for him."*

From this point SJP's advice was documented in their 16 December 2022 suitability letter, with the funds then encashed and sent to Aviva in order for the annuity to commence on 9 January 2023, with the annuity rate quoted on 9 December 2022 secured.

Having looked at the timeline of events I do not believe there were any unfair delays in this process. Between the initial meeting on 1 November 2022 and the second meeting on 6 December 2022 medical underwriting was completed and underwritten annuity quotes were requested and compiled from numerous providers. This process takes time, with SJP unable to control how long providers take to provide quotes.

I have also considered the time between the 6 December 2022 meeting and the commencement of the annuity on 9 January 2023. During this time period the advice documentation was produced, funds were encashed and the annuity secured. What I would note here is that whilst the annuity did not commence until 9 January 2023, the annuity rate applicable was that of 9 December 2022, and as such this time period had no impact on the rate payable to Mr K.

Whilst I accept that the actual income payable to Mr K did change from the December 2022 annuity quote, this was as a result of changes to the pension value, not the annuity rate, with SJP making Mr K fully aware of this possibility at the outset.

During the process of purchasing this annuity Mr K was provided with higher quotes, that ultimately were not secured. Within the documentation provided to this service Mr K has referenced four quotes giving income levels of £38,161.32, £39,325.15, £39,077.66, and £38,247.75 per year. I appreciate that ultimately securing a level of income lower than some of the quotes provided would be frustrating for Mr K. However, I must also note that had SJP considered Mr K's email of 17 October 2022 as an instruction to purchase an annuity on his behalf as soon as possible, the first annuity quote provided showed lower income that the one ultimately secured.

Overall, I do not believe there were undue delays in the process undertaken by SJP following Mr K's October 2022 email. Meetings were held in line with Mr K's suggested timeline with the underwriting and advice process being completed in a reasonable timeframe.

As such, in line with what our investigator as already said, I am not upholding this complaint and require no further action from SJP.

My final decision

I am not upholding this complaint against St. James's Place Wealth Management Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 September 2025.

John Rogowski
Ombudsman