

## **The complaint**

Ms S complains that a partner of St James's Place Wealth Management Plc ('SJP') gave her unsuitable pension advice in 2024.

## **What happened**

Ms S had an initial discussion with SJP on 18 March 2024. In an email the same day, SJP sent Ms S a report about their fees and charges as well as a video which explained the charges.

Ms S responded later the same day to thank SJP for the meeting and the information materials provided. She said she had discussed everything with her parents who had raised concerns about recent bad reviews about SJP. Ms S asked for additional information on the pension and ISA funds which had been discussed and said she would look into everything a bit further. SJP provided the requested information and addressed the public criticisms of SJP's fee structure.

SJP said they didn't hear back from Ms S and thought she didn't want to proceed, so they destroyed any notes they took at the time. Ms S then contacted SJP again in early May 2024 at which point a new fact find was completed.

Ms S had recently reduced her working hours and was earning £42,000 per year. She had two NHS defined benefit pension schemes and was an active member. However, she was looking to enhance her pension provisions further. Ms S was also the director of her own limited company and was looking to use profits from the company to make employer contributions to a personal pension for herself.

SJP recommended her to make an employer contribution from her company to an SJP Retirement Account. Ms S agreed to an initial contribution of £20,000 with the view to increase the payments over time.

In November 2024, after having completed Ms S's tax returns, her accountant raised concerns on Ms S's behalf about the advice she had received. He said Ms S had higher earnings in the tax year 2023/2024 and if she had been advised to make gross personal pension contributions of £13,000 in the tax year 2023/2024, she could have benefitted from additional tax relief and would have paid less income tax. She also would have avoided losing £1,142 in child benefit through the high-income child benefit charge. So she incurred financial losses of over £6,000.

He was also concerned the recommendation to make employer contributions was made without consultation with Ms S's company accountant to check whether the company could afford the contribution and whether the contribution met the HMRC criteria of being wholly and exclusively for the purposes of trade. He thought Ms S had been advised to invest into a product with high charges and a six-year lock in period and those terms were unreasonable, particularly given Ms S was a single mother with dyslexia and struggled understanding numbers which made her a vulnerable customer. He raised additional concerns about SJP not responding to the complaint in a reasonable time frame and that the adviser destroyed

notes from March 2024.

SJP rejected the complaint. One of our investigators then considered the complaint and he agreed it should not be upheld. He considered that:

- SJP first met Ms S and had initial discussions with her in March 2024, however they didn't proceed to advice until May 2024 when Ms S contacted them again. A new tax year had already started, so their recommendations weren't able to change Ms S's 2023/2024 tax position.
- The suitability report said Ms S wanted to explore the option of the company making a lump sum contribution to a pension scheme on her behalf. She didn't ask for general pension and investment advice or intended to use personal funds.
- He noted that Ms S was given information about the fees and charges and noted discussions between Ms S and the adviser showing her understanding. He didn't consider Ms S's dyslexia meant she didn't understand the fees she agreed to.
- Given Ms S had not been in touch after her initial discussions with SJP, he didn't consider the adviser acted unreasonably when destroying the notes thinking Ms S had decided not to become a client and proceed with advice.
- We couldn't consider the delays in providing a final response letter as complaint handling wasn't a regulated activity.

The investigator concluded that the advice given was suitable and he didn't ask SJP to make any award to Ms S.

Ms S remained unhappy and so the complaint was passed to me for 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 agree with the investigator, for largely the same reasons, that SJP didn't give unsuitable advice or acted unfairly towards Ms S.

Ms S's accountant said SJP should have made Ms S aware that she needed to act quickly and make a personal pension contribution before the end of the tax year when they spoke in March 2024. However, I disagree. SJP and Ms S had initial discussions and she had not yet decided to become a client and proceed with any formal advice. So I don't think SJP is responsible for her missing out on any potential tax and child benefit savings in the tax year of 2023/2024. I also agree that destroying initial notes when Ms S didn't come back to the adviser for a while and he reasonably thought she didn't want to become a client was reasonable.

It seems Ms S did come to SJP with the idea to use company funds for employer contributions. However, SJP ought to have considered, when they started the advice process again in May 2024, whether her objective of enhancing her retirement benefits could have been achieved differently, for example with personal pension contributions. The fact find records that personal contributions were discussed and Ms S was told to consider the additional voluntary contributions (AVC) plan attached to her DB scheme for this. However, the AVC plan did not allow for ongoing advice which is what Ms S was interested in. I can see from the fact find that Ms S had some personal funds in premium bonds (£24,000) which

she theoretically could have used for personal pension contributions instead of her company funds. However, I don't consider the employer contribution recommendation was unsuitable. It saved corporation tax (between 19-25%), NI contributions and Ms S wouldn't need to pay income tax on the payment. A personal contribution would have benefitted from tax relief of 20%, but I don't think this would have been more beneficial for Ms S than paying it as an employer contribution.

I don't know how much SJP knew about Ms S's company. However, I think they could rely on her judgement on whether this contribution was affordable for the company. It would also be relatively rare that a pension contribution would be regarded as a non-business expense. No evidence was provided that there was an issue with this.

I can't see that Ms S's dyslexia or her difficulty understanding numbers was discussed with the adviser. I don't think this necessarily would have been obvious. In any event, I can see that Ms S was sent information about the charges including an explanatory video. She had also spoken to her parents and had specifically asked further questions about the charges. Most importantly, I can see from emails sent in June 2024 from Ms S to SJP that she understood what charges would apply and that additional charges would be paid if she left SJP within the following six years. So I'm satisfied she understood the charging structure.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 15 January 2026.

Nina Walter  
**Ombudsman**