

The complaint

Mrs G complains that Money Advice & Planning Ltd ('MA&P') gave her unsuitable advice in relation to her ISA. She also says it has failed to provide the ongoing service she was paying for.

Mrs G's husband, Mr G, has made a similar complaint to MA&P about accounts in his name. And they have also jointly complained about a general investment account ('GIA') they held together. This complaint, and this decision, is looking at the accounts in Mrs G's name only and the advice and services provided to her about those products held individually. However, as there is some overlap between the complaints, where necessary I've referred to the relevant circumstances relating to Mr G as well as their joint investments.

What happened

Mr and Mrs G were introduced to MA&P by a former colleague of Mr G in 2018. On 29 June 2018, MA&P completed a fact find to gather information about their circumstances and objectives. It recorded that Mrs G was 64, in good health with two grown children who were not financially dependent. She and Mr G owned their home unencumbered and their income was recorded as covering their outgoings (committed and discretionary). Mrs G held an ISA with a business that I'll call 'Firm O' which had a value of just under £95,000. Mrs G's objective was recorded as 'investing capital' and MA&P recorded that she was willing and able to take a medium level of risk with her investments.

A copy of the fact find was signed by Mr and Mrs G on 18 July 2018. On the same day they also signed a copy of MA&P's client agreement. This gave information about the advice services MA&P would provide – including the different levels of ongoing advice it made available. It also included information about the cost of these services. The costs – initial and ongoing - agreed to by Mr and Mrs G were set out. The ongoing service 'package' agreed to was MA&P's 'Platinum' service, which included, amongst other things, annual risk profile and financial goals reviews and client adviser meetings every twelve months.

Mrs G signed application forms to transfer her ISA from Firm O to a new platform provider, I'll call 'AS', on 19 July 2018. The application forms confirmed MA&P as her adviser.

On 23 July 2018, MA&P sent Mr and Mrs G a suitability report setting out the reasons for its recommendations to them both (as it had also advised Mr G to transfer an ISA in his name and two pensions).

The majority of the contents was addressed to and focussed on Mr G. In respect of Mr and Mrs G's ISAs MA&P said these were currently structured similarly to Mr G's pensions, which MA&P described as being invested in "*an awful lot of funds*". And so, MA&P said its recommendation for Mrs G's ISA (and Mr G's for that matter) mirrored that for Mr G's pension – which was to transfer to AS and invest across ten funds.

In November 2018, MA&P recommended a fund switch within Mrs G's ISA. It said the reason for this was the existing fund was not performing as well as anticipated while also noting that the existing investment fund wasn't "*on the current Recommended Fund List*".

MA&P wrote to Mr and Mrs G on 4 February 2019. It explained it had started using a new platform, which I'll call 'AJ' for making investments, replacing AS. It said the reasons for this were primarily changes in the services provided by AS. MA&P recommended that Mrs G move her ISA to AJ 'in specie' with the investments remaining unchanged. It also recommended that she and Mr G continue to receive MA&P's ongoing advice. The recommendation noted there was no cost for this switch and the charges for ongoing advice would remain unchanged. And I understand the recommendation was accepted.

MA&P wrote to Mr and Mrs G on 9 September 2019 providing its "summary of periodic suitability assessment". The purpose of the letter was an annual review. MA&P said it believed the original products recommended remained suitable – noting that they'd both confirmed their circumstances were unchanged.

MA&P emailed Mr and Mrs G on 21 October 2019 saying the adviser had now "looked at your accounts in depth" and recommended a number of fund switches, including six within Mrs G's ISA. It again said the reasons were because of performance being less than anticipated and the existing funds no longer being on the recommended list.

MA&P recommended and made several further fund switches within Mrs G's ISA in January, May and July 2020.

On 19 August 2020 MA&P sent Mr and Mrs G their next annual review summary. MA&P again said that the product Mrs G held remained suitable. And an updated client review document was completed and signed by Mr and Mrs G, saying their circumstances were unchanged.

Two days later though, on 21 August 2020, MA&P emailed Mr and Mrs G again recommending additional fund switches within their investments, including Mrs G's ISA. MA&P acknowledged that some the funds it was recommending the move from may have been ones that Mrs G had only recently moved to, but it said it monitored these regularly and had been unhappy with their performance.

Additional fund switches within Mrs G's ISA were explained and recommended, via email, in November 2020 and January 2021.

In March 2021, on the advice of MA&P, Mrs G transferred the funds from her ISA to the GIA (which was in joint names with Mr G and had been opened in 2018 when the original advice was taken). The suitability of that advice is the subject of a separate complaint.

MA&P says it was informed by AJ that Mr and Mrs G had removed its servicing rights – rescinding their authority for MA&P to act for them – in March 2023.

Mr and Mrs G signed a letter to MA&P on 13 April 2023 saying, with regret, they wanted to complain about the advice they'd received as they had "lost a fortune" and wanted to be compensated. It appears there was an initial delay in responding to the complaint.

MA&P responded to the complaint in July 2024. It didn't agree with the points made and didn't uphold the complaint. MA&P said it thought the advice provided had been suitable.

Mrs G asked our service to consider her complaint. She said she didn't receive a client agreement or suitability report for the recommendations made, didn't recall completing a risk assessment and didn't think MA&P had provided suitable advice. She also said she'd never had any face-to-face meetings with MA&P and didn't think the agreed ongoing service had been provided.

One of our Investigators considered the complaint and thought it should be upheld. They thought the investments that had been recommended to Mrs G when transferring her ISA in 2018 did not match her attitude to risk ('ATR') – being roughly 95% in equities when Mrs G was only willing to take a medium amount of risk. So, they thought Mrs G had been exposed to more risk than she ought to have been and MA&P should establish if this had caused Mrs G a loss and if so compensate her. They also explained that any such calculation negated the need to look into whether ongoing services were correctly provided, as the proposed redress accounted for the relevant ongoing service fees. They also recommended MA&P pay Mrs G £200 for the distress and inconvenience caused.

MA&P disagreed with the Investigator's opinion. It said that when the fact find was undertaken, avoidance of capital losses was not a priority given by either Mr or Mrs G as they expected to retain the investments. So, MA&P thought this suggested Mrs G had more appetite for risk than was now being claimed. But in any event, it felt the level of risk, based on its measurements, in Mrs G's ISA was suitable and that these risks had been fully explained.

The investigator wasn't persuaded to change their opinion. So, as agreement could not be reached, Mrs G's complaint was referred to me to decide.

I issued a provisional decision in October 2025 explaining that I thought Mrs G's complaint should be upheld. Below are extracts from my provisional findings, explaining why, which form part of my final decision.

Mrs G's complaint concerns the suitability of the advice she received from MA&P to transfer her ISA and the ongoing review service and whether that was provided as it should have been.

A file note MA&P has provided from July 2018 talks about Mr and Mrs G contacting it, having been recommended by a friend. The note didn't mention why they'd contacted MA&P. But it said that the adviser had analysed their existing investments (Mrs G's ISA as well as Mr G's pensions and ISA) and noted these were spread across a large number of funds (with a statement for Mrs G's ISA noting it was invested in 24 funds). The adviser said in the note that they considered it "nonsense using so many small funds" and they said they didn't think this was helping the consumers' cause and that they were getting poor returns.

The fact-find also didn't contain a great deal of information about Mrs G's motivation for seeking advice. And the only objective / requirement highlighted for her was 'Investing Capital'.

The suitability report MA&P sent on 23 July 2018, explaining its advice said that Mr G had asked the adviser "to look at your pension situation, as you weren't happy with what your current advisers were doing – and this reflected in the poor returns that you were getting. You were looking for advice on whether you should leave the pensions where they are just now or move them. Likewise with your ISAs which you both have." But it had no information or analysis of Mrs G's objectives.

Because of all of this, it is difficult to clearly establish what Mrs G's objectives were in respect of her ISA as it appears that the approach to MA&P was more driven by Mr G, as he had more investments under consideration. And it appears to have been assumed, due to the lack of documenting them separately, that Mrs G's objectives were the same as Mr G's. But in the lack of information to the contrary, and bearing in mind there isn't anything to suggest that Mrs G disputed at the time that her objectives were similar to Mr G's, I think on balance it's reasonable to conclude that she was interested in seeing if she could achieve better returns on her ISA.

The suitability report from MA&P included a line, in relation to its recommendation to Mr G about his pensions, saying "When we move any pension today, we need to show that it is in someone's best interests to do so – otherwise we should not move it at all." This is though also the case in respect of MA&P giving advice on Mrs G's ISA – it needed to think about what was suitable for her taking account of her best interests. MA&P's role wasn't just to act as an order taker or put in place what Mrs G might've thought she wanted - if she had preconceived ideas about this. Rather, it needed to provide suitable advice taking into account her circumstances, objectives and attitude to risk.

The fact find noted that Mrs G (and Mr G) were 64. Neither of them were recorded as working. Mr G was noted as retired but information about Mrs G's employment status was not recorded. Their joint income needs were recorded as being met – but it wasn't clearly recorded how - although this appears to at least partly by taking an income from the investments being discussed. There was also no information recorded about any other assets (such as pension policies) held by Mrs G. So, it wasn't entirely clear how integral the amount in the ISA was to meeting Mrs G's future income needs. But it was noted that the investments being discussed made up more than 76% of Mr and Mrs G's wealth portfolio. So, it appears from that information, that the savings held by Mrs G were important to her.

MA&P has pointed to one of the answers given in the fact-find as an indication that Mrs G wasn't concerned about losses. There was a yes / no question asking if the avoidance of capital loss was a priority when investing, which was answered 'no'. This was in a supplementary questionnaire, that was included with the fact-find, about attitude towards risk and thoughts about investing, in respect of savings and investments. I note though only one of these documents was completed, with a handwritten annotation saying that the answers applied to both Mr and Mrs G. So, it isn't entirely clear how much of what was recorded truly reflected Mrs G's individual attitude. I do acknowledge the fact-find was signed by both of them; to confirm they'd provided information as accurately and fully as they could. But I don't think this ticked box was enough to conclude that Mrs G was able or willing to accept significant capital losses.

Nevertheless, even with the ISA likely being important to Mrs G (and potentially her future income plans) transferring it could still have been suitable. So, I've thought about the reasons for the advice.

Again though, the suitability report focused primarily on Mr G's pensions. And there wasn't any specific explanation why transferring Mrs G's ISA was in her best interests. MA&P said that the way the existing financial products, including Mrs G's ISA, were invested was questionable – saying said it believed the number of funds used was excessive. But I don't think Mrs G's investments being diversified to this extent on its own meant transferring, and incurring the considerable charges for doing so, was in Mr G's interests.

On the point of charges, statements for the ISA with Firm O indicate Mrs G was paying an ongoing charge to her previous adviser of 0.6% per year. And a service charge of approximately 0.32% seems to have been payable to Firm O. But to follow MA&P's recommendation, there was an initial charge of 3%. And the ongoing charges for MA&P's services were 1.6% per year. So, before even accounting for the platform charges payable to AS, the fees Mrs G would pay following the transfer were significantly greater than those she was already paying. And the reasons why it was in Mrs G's interests to incur those charges, wasn't addressed directly in the recommendation.

But MA&P said its analysis was that Mr and Mrs G were getting 'poor' returns. Again, the majority of the analysis was in respect of Mr G's pensions. But MA&P said that Mrs G's ISA (and Mr G's) was invested and structured along the same lines as one of Mr G's pensions – held with Firm O. And looking at statements for the relevant accounts, this appears to be

correct – that the investments were largely similar.

The recommendation said that Mr G's pension with Firm O, was achieving approximately 5.1% per year. Whereas its recommendation could provide returns of 20.03%. So, although not directly stated in the suitability report, as the intention was for Mrs G's ISA to follow the same investment strategy as Mr G's policies once transferred, this information indicated that Mrs G could be better off by transferring. Returns on the newly recommended ISA were not guaranteed – something which the recommendation mentioned. But if the projected difference in returns came about, Mrs G would have been better off by transferring her pensions, even accounting for the increased costs. So, based on its analysis, I don't think it was necessarily unreasonable of MA&P to suggest that a transfer of the ISA was in Mrs G's interests.

However, this was dependent on the recommended funds being appropriate for Mrs G's attitude to risk. Because while the investment funds MA&P suggested may have been projected to provide better returns than her existing pension, if the reason for this was that they involved taking greater levels of risk than Mrs G's ATR indicated she was willing to take, they wouldn't have been suitable for her.

As I've said, there was a supplementary questionnaire about ATR with the fact find. But this wasn't completed individually for Mrs G. Rather one form was said to reflect both her and Mr G's attitude. There were questions asking what level of risk the person answering was willing to take, how much they were able to take and how much they needed to take. There were four response options to each question – none, low, medium and high. And all three questions were answered 'medium'. But there doesn't appear to be any detailed analysis that went into those answers. There was a section which asked the person answering to select from a list of answers what their key priorities were when looking at investing. And the only option selected (from a list of ten options) was 'performance'. Likewise, the form asked them to set out their primary and additional concerns about investing. The primary concern chosen (from three options – 'market volatility', 'short-term fears' and 'long term-fears') was 'market volatility' and other concern selected (again from a list of ten options) was again 'performance'. But that doesn't really provide any analysis of the selection of 'medium' as the apparent ATR. And again, separate versions of this document were not completed for both Mr and Mrs G. So, I don't think asking Mrs G (even if she were asked individually) to simply identify her attitude to risk from a set of four options was enough.

At the same time though, as I've explained, I don't think it is unreasonable, based on the available information, to believe that Mrs G's reasons for taking advice were similar to Mr G's. And the potential for improved performance was set out as the purpose. And during the fact-finding, it was recorded that Mr and Mrs G had some investment experience – so were aware markets could fluctuate. Mrs G also had no recorded debts, and her joint committed expenditure with Mr G was relatively low. So, I don't think it's unreasonable that she would have been willing to take some risk with her investments (which were already exposed to market risk with Firm O). And I think the categorisation of her ATR as medium appears reasonable, in the circumstances.

Like our Investigator though, I don't think the investments MA&P recommended to Mrs G were in line with this ATR.

MA&P asked Mrs G about what risk categories she was comfortable investing in. And it recorded that she'd look to invest 30% in 'low risk', 40% in 'medium risk' and 30% in 'high risk'. This '30-40-30' split was referenced again in the suitability report. And I think this proposed balance further supports that Mrs G had a medium ATR.

In the suitability report MA&P listed ten different funds and indicated Mrs G should invest her

ISA divided equally across these - 10% in each. It said that the 'sector' for three of these funds was 'low', four were 'medium' and three were 'high'. And in response to the Investigator's findings MA&P said, by its measurement, only 30% was placed in high-risk investments. But I don't think that is supported by the available information.

The fact find said that low risk category investments returned at least more than inflation with a small amount of risk and said that a primary example of this type of investment was corporate bond funds. Medium risk investments were described as providing half-decent returns but with the possibility of some losses and the primary example given was UK equities. High risk was explained as giving the possibility of significant returns, but losses could be equally significant, and the primary example was non-UK equities. And I'd add that, generally, equities are considered to be a higher risk investment.

I've been provided information sheets for the ten recommended funds, as well as an overall portfolio summary. The information sheets showed that nine of the ten funds had equity content in excess of 90%. And the portfolio summary said that the stocks (equity) content of the portfolio as a whole was 93.04%. It also summarised the 'country exposure' of the portfolio indicating that only 27.28% of the investments were UK based.

As I've said, MA&P described UK equities as typically being medium risk investments and non-UK equities as being high risk – which I think is reasonable. And for Mrs G, a medium risk investor, a split of these, along with 30% low risk investments was considered suitable. But the portfolio recommended was made up of over 93% medium and high-risk investments (equities), with the majority of that 93%+ in fact in the category that would be considered high risk – non-UK equities. So, while I've taken on board what MA&P has said, I don't think the information supports that the recommended investment was a '30-40-30' split. And indeed, I think that the recommended investments seem to have had a higher risk than Mrs G's ATR indicated she was willing to accept.

MA&P has indicated it believed Mrs G's existing ISA may have been invested in higher risk funds and assets than the ones it recommended and has suggested that this supports that she was willing to take more risk. I haven't been provided a copy of analysis specific to Mrs G's ISA with Firm O. But again, it was invested in line with a pension Mr G held with Firm O. And I have seen analysis that MA&P carried out in respect of how that pension was invested, including a summary of the portfolio as a whole. This said Mr G's pension (and in turn it is fair to assume Mrs G's ISA) had 73.32% invested in equities, 20.46% in bonds and cash and 6.21% in 'other'. So, I don't think this supports what MA&P has said, that Mrs G's ISA was already invested in a higher risk manner than MA&P recommended.

And ultimately MA&P assessed Mrs G's attitude to risk as being medium. So, the investment funds it recommended needed to be appropriate for that, regardless of what had gone before. And I don't think they were.

Overall therefore, I don't think the advice MA&P provided Mrs G to transfer her ISA was suitable because, the improved returns it suggested she'd potentially achieve were due to the recommended investments being higher risk than she was willing to take. And I think, if investments more suitable to Mrs G's ATR had been discussed with her she'd likely have chosen not to transfer her ISA from Firm O. This is because by not transferring Mrs G would have avoided incurring the significant associated fees and charges. And the ISA investments she already had appear, based on the analysis at the time, to have had an asset split broadly suitable for her ATR. So, I think the complaint should be upheld and MA&P should compensate Mrs G.

As I've explained, Mrs G has also complained about the fees she's paid for ongoing services from MA&P, which she says have not been provided. But the redress I've recommended,

which I'll explain below, already accounts for the fees charged for this – as the calculation is intended to put her in the position she'd have been in had she not transferred. So, I don't need to look into the provision of ongoing services, as I've already concluded that, but for the unsuitable advice, this service would not have been taken out.

Our Investigator recommended that MA&P also pay Mrs G £200 for the distress and inconvenience she'd been caused. And I think this is fair. I don't think Mrs G has been experiencing ongoing distress from the point of the advice – as there was nothing in his dealings with MA&P for several years that suggested she was unhappy. But I can see that it seems to have taken MA&P a significant amount of time to provide its response to the complaint – the complaint was made in April 2023 with the response in July 2024. I don't doubt was upsetting for Mrs G. So, in the circumstances I think the suggestion from the Investigator is reasonable.

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.

Mrs G said she accepted my provisional decision.

MA&P did not respond with any further comments or evidence for me to consider, by the deadline given.

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 consider the advice MA&P provided to Mrs G was unsuitable as the recommended investments involved a higher level of risk than Mrs G was willing to take. And but for this unsuitable recommendation, I'm satisfied she wouldn't have undertaken the recommended transfer of her ISA. So, I think MA&P should carry out a calculation to establish if this advice has caused Mrs G to incur a loss and, if it has, it should compensate her for that loss.

Putting things right

Fair compensation

My aim is that Mrs G should be put as closely as possible into the position she would probably now be in if she had been given suitable advice.

I think Mrs G would have remained with her previous provider, however I cannot be certain that a value will be obtainable for what the previous policy would have been worth. I am satisfied what I have set out below is fair and reasonable, taking this into account and given Mrs G's circumstances and objectives when she invested.

What should MA&P do?

To compensate Mrs G fairly, MA&P must:

- Compare the performance of Mrs G's investment with the notional value if it had remained with the previous provider. If the actual value is greater than the notional value, no compensation is payable. If the notional value is greater than the actual value, there is a loss and compensation is payable.
- MA&P should also add any interest set out below to the compensation payable.

Income tax may be payable on any interest awarded.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
AJ ISA	No longer in force	Notional value from previous provider	Date of investment (shortly following advice in 2018)	Date ceased to be held (when transferred in 2021)	8% simple per year on any loss from the end date to the date of settlement

Actual value

This means the actual amount paid from the investment at the end date.

Notional Value

This is the value of Mrs G's investment had it remained with the previous provider until the end date. MA&P should request that the previous provider calculate this value.

Any additional sum that Mrs G paid into the investment should be added to the *notional value* calculation at the point it was actually paid in.

Any withdrawal from the AJ ISA should be deducted from the notional value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if MA&P totals all those payments and deducts that figure at the end to determine the notional value instead of deducting periodically.

If the previous provider is unable to calculate a notional value, MA&P will need to determine a fair value for Mrs G's investment instead, using this benchmark: FTSE UK Private Investors Income Total Return Index. The adjustments above also apply to the calculation of a fair value using the benchmark, which is then used instead of the notional value in the calculation of compensation.

Why is this remedy suitable?

I have chosen this method of compensation because:

- Mrs G wanted Capital growth and was willing to accept some investment risk.
- If the previous provider is unable to calculate a notional value, then I consider the measure below is appropriate.
- The FTSE UK Private Investors Income **Total Return** index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is a mix of diversified indices

representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return.

- Although it is called income index, the mix and diversification provided within the index is close enough to allow me to use it as a reasonable measure of comparison given Mrs G's circumstances and risk attitude.

In addition to the above, MA&P should pay Mrs G £200 for the distress and inconvenience caused.

My final decision

For the reasons I've explained I uphold this complaint. To put matters right, Money Advice & Planning Ltd should pay compensation in line with the methodology set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 9 December 2025.

Ben Stoker
Ombudsman