

## **The complaint**

The estate of Mrs C complains that St. James's Place Wealth Management Plc (SJP) failed to provide annual reviews of her investments. The estate of Mrs C says the lack of reviews meant Mrs C remained in poorly performing funds causing her a loss.

## **What happened**

In 2013 Mrs C opened an SJP ISA and Unit Trust Feeder account with funds that she transferred from a previous provider. As part of her agreement with SJP, Mrs C agreed to pay an Ongoing Advice Charge (OAC) on her products in return for SJP regularly reviewing her investments.

At the time of the advice and since, Mrs C's son - Mr C - has been present when Mrs C dealt with SJP. Mr C also held power of attorney over Mrs C's affairs which he enacted when she became unwell.

SJP say it met with Mr C in October 2018 to review Mrs C's plans. It sent Mr C a letter following the meeting detailing what had been discussed.

SJP also say it held another meeting with Mr C in September 2019. It says it holds a record of meeting notes. It sent Mr C a follow-up email in October 2019. SJP recommended a portfolio of funds for Mr C to consider in respect of broadening Mrs C's fund selection.

Mr C said he raised concerns with SJP around Mrs C's fund's performance in 2021.

In 2023 Mrs C sadly passed away. SJP say it was in contact with Mr C regarding arrangements for the funds to be paid to the estate of Mrs C.

The estate of Mrs C complained to SJP on 22 April 2024. In summary it said Mrs C had paid an annual charge of 0.5% of the value of the portfolio for annual reviews which weren't received. And there had been very poor returns on Mrs C's investments. It said if reviews had taken place, action would have been taken to address the underperformance.

SJP responded to the complaint in January 2025. In its response it said while the estate of Mrs C might think the lack of service had a direct impact on the fund's performance, it wasn't possible to quantify any potential losses. It said that when investing with SJP, its strategy is one of 'time in the market' rather than 'timing the market' with the aim of riding out any volatility in the market. So, it didn't expect its adviser to actively recommend fund switches in light of market volatility but noted its investment committee carefully selected investment managers who made active investment decisions within the mandate of each fund.

Regarding the annual reviews, SJP said complaints had to be made within the time limits set out in the regulator's rules. And that meant the estate of Mrs C weren't able to complain about events before 2018. So, it had only considered if annual reviews had been provided since then.

SJP said Mrs C had received reviews in 2018, 2019 and 2023 but not in 2020, 2021 and

2022. It upheld that element of the estate's complaint and offered to refund the fees from 2020 to 2022 with interest added at 8% simple. It also offered £150 in respect of any distress and inconvenience caused.

The estate of Mrs C brought its complaint to our Service. Our investigator explained our jurisdiction to consider the estate of Mrs C's complaint. He said the time-limits in which complaints must be raised are found in the Financial Conduct Authority's (FCA's) dispute Handling (DISP) rules.

He went on to explain that in applying those rules, our Service didn't have the jurisdiction to consider events from more than six years before the estate of Mrs C made its complaint. So, he could only consider whether the reviews that were due since 2018 had been completed.

He said he was satisfied that SJP reviewed Mrs C's plans in 2018 and 2019, but not in subsequent years. He explained that while SJP had been in contact with the estate of Mrs C in 2023, the contact was entirely based on settling the estate and wasn't evidence that a review of Mrs C's investments had been completed.

Our investigator agreed with the way in which SJP had offered to put things right for the missed reviews in 2020, 2021 and 2022 but also directed SJP to refund the charges from 2023.

SJP accepted our investigator's opinion on the complaint.

The estate of Mrs C didn't accept the opinion given and so, the complaint has been passed to me for a decision.

### **Our jurisdiction to consider this complaint**

In response to our investigator's opinion on this complaint the estate of Mrs C said it was unaware of the restrictions relating to events that happened more than six years ago. But it accepted that restriction.

I'd like to reassure the estate of Mrs C that I've also considered our Service's jurisdiction to consider this complaint, but for the same reasons that our investigator gave, I'm satisfied we can only consider events from April 2018 onwards.

### **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.

When considering what is fair and reasonable, I take into account relevant laws and regulations as well as the regulator's rules, guidance and standards.

I know this will come as a great disappointment to the estate of Mrs C, but having done so, I've come to the same overall conclusion as our investigator for broadly the same reasons. I'll explain why.

I've first considered whether Mrs C received the reviews of her plans she was entitled to.

In a submission to our Service Mr C has set out what he believes should be included and discussed in an annual review. Mr C has also quoted a newspaper article which said a telephone call wouldn't demonstrate an ongoing review.

While I've considered what Mr C says ought to have been included in a review, there aren't any strict rules on what must be discussed or included in an annual review between an adviser and their client. In February 2025 the FCA set out its findings of a recent review of whether financial advisers were delivering the ongoing advice service that consumers had paid for. Of relevance it said:

*What constitutes ongoing advice can be broad. The services offered by firms vary and are set out in individual client contracts. Generally, they include ongoing suitability reviews. They can also include related services like performance reviews, arranging transactions or managing a relationship between a retail client and discretionary investment manager.*

*...The exact nature of services desired, promised and delivered may differ from relationship to relationship, meaning that individual facts and circumstances are important in assessing the service.*

I can see from the time of the sale in 2013 SJP committed to reviewing Mrs C's circumstances at regular intervals and reviewing her investment to ensure it remained appropriate.

In addressing Mr C's concerns about telephone calls, I only agree to the extent that evidence of a call between a firm and a client *alone*, isn't likely to evidence a review having taken place. But where there is evidence that the review was conducted over the telephone, and that was allowed within the customer's agreement with the firm, it's reasonable for the firm to conclude the appropriate service was given. That's not uncommon in the industry.

Whilst I've considered Mr C's comments about what he feels should be included in an annual review, I can't reasonably hold SJP to a level of service above what it committed to provide to Mrs C. I also can't reasonably say that SJP couldn't provide those services in a telephone call.

SJP has given what it says is evidence of a review from 2018. It's a letter from a SJP adviser's firm to Mr C. It notes that the adviser met with Mr C to discuss his mother's investments.

The letter listed the seven funds Mrs C's ISA and Unit Trust were invested in, noting it had discussed the options for potentially switching the funds held. The letter then went on to say SJP had discussed Mrs C's attitude to investment risk and capacity for loss as well as the term of investment and its affordability.

Having reviewed this evidence from 2018 I'm satisfied that SJP had met its commitment to review Mrs C's circumstances to ensure that her investment had remained appropriate. And it had highlighted the option to switch Mrs C's funds into one of SJP's investment portfolios. It's therefore reasonable for SJP to retain the OAC it was paid from Mrs C's investments in 2018.

SJP provided a 'meeting note' of what it says was a meeting with Mr C in September 2019. Mr C disputes that he met with SJP in 2019 but seems to acknowledge this might have been a telephone call.

The meeting note recorded that Mr C had discussed the performance of the plan with SJP's adviser, noting that the performance had been poor. It went on to describe Mrs C's income needs and current circumstances. It said that Mr C wanted to broaden the exposure of Mrs C's funds from just UK equities and bonds.

SJP then sent Mr C a follow-up email on 29 October 2019 with a recommendation to make a fund switch into one of its portfolios.

While I appreciate Mr C's strength of feeling that a review ought to be conducted in person and followed up in writing, the evidence satisfies me that on balance, Mrs C's plans were discussed and reviewed in 2019 alongside her circumstances at that time. Albeit that might have happened over the telephone. And whilst I would also expect a firm to follow up a review in writing, the failure to do so doesn't automatically mean the review didn't happen. In this case while a summary of the review wasn't provided, a fund switch recommendation was made in writing following the meeting.

As I've already explained, I don't think there was anything in Mrs C's agreement with SJP that prevented the annual review from occurring over the telephone. I don't find that unusual for this type of agreement. And so, I can't reasonably ask SJP to refund the OACs it received for the annual review in 2019 given that I'm satisfied it occurred.

SJP accepted that it didn't conduct reviews in 2020, 2021 and 2022.

In 2023 the estate of Mrs C spoke with SJP about Mrs C's plans. But like our investigator, I'm not satisfied SJP has demonstrated it met its commitment to Mrs C in that year. I say that because it didn't review Mrs C's circumstances to ensure the investment remained suitable. SJP simply assisted the estate of Mrs C in settling her affairs under SJP's control, as expected.

So, I also think it's fair for SJP to refund the OACs from 2023 for the reasons I've given.

Mr C says a significant part of the estate's complaint is not only that the reviews didn't happen, but as a consequence, Mrs C's investments weren't balanced or diversified enough, leading to poor overall performance.

I can't say for certain what would have happened if SJP had further reviews with Mr C about Mrs C's investments in subsequent years. Mr C's view is that his mother's investments would have likely been moved into more geographically diverse funds.

When making my decision on what I think is fair and reasonable, I base my decision on what I think most likely would have happened considering the full circumstances and evidence of the complaint.

Having done so, I'm not persuaded that Mrs C's investments would have ended in a difference position even if SJP had recommended a fund switch in later reviews (had they taken place). I'll explain why.

It's important to note here that SJP didn't have discretion to make decisions on Mrs C's behalf. It could make recommendations to Mr and Mrs C, but ultimately it could only act on instructions it received from Mr and Mrs C to make changes to the funds Mrs C held.

In the original advice given to Mrs C in 2013, SJP explained how Mrs C's funds would be invested. It said:

*"We discussed the range of example portfolios and funds offered by St. James's Place, and the importance of holding a diversified range of investments. I explained the merits of investment diversification which can be achieved through a St. James's Place example portfolio. On this occasion, following discussion and taking into account your capacity for loss and attitude towards risk, we agreed you would invest in a different fund range..."*

*You prefer to select your own funds rather than use example portfolios...*

This demonstrates to me that rather than choosing a model portfolio put forward by SJP, Mrs C was happy to choose her own funds from the selection available. And SJP enacted that instruction from Mrs C.

The review letter from 2018 said:

*"We also discussed various options for potentially switching funds in your mother's portfolio by taking advantage of the St. James's Place investment portfolios as recommended by the Investment committee. I have left you with a Fund Switch application form for you to sign and return to me if you would like to move some of the funds within the portfolio."*

In 2018, Mr C, on behalf of his mother, was again given the opportunity to switch her funds into one of SJP's model portfolios. But I've seen no evidence he chose to do so.

In 2019, SJP went further than just providing Mr C with information about the portfolios available. It went as far as to recommend to Mr C a specific portfolio to meet his concerns that Mrs C's portfolio wasn't geographically diverse enough. In the email SJP sent Mr C in 2019 it said:

*During the meeting you discussed broadening the fund selection of your mother's St. James's Place investments...*

*As part of the rebalancing process, your key objectives are as follows:*

- *To reduce the overall exposure to UK Equities*
- *To broaden fund selection geographically, with more international exposure*
- *More capital growth but not at the expense of the overall yield generated from the portfolio.*

*Therefore, after consideration of the above objectives, I would recommend we switch your mother's ISA into our Deferred Income Portfolio...*

The email went on to describe the investment contained within the portfolio and asked Mr C to consider the recommendation and let SJP know his thoughts.

Despite Mr C clearly having concerns about the geographical diversification of Mrs C's portfolio in 2019, when given a recommendation to move the funds, he didn't accept that recommendation and didn't provide the required authority to SJP to make the recommended changes.

Mr C was also in communication with SJP in 2021 where he again raised his concerns about the performance of his mother's investments. SJP provided an explanation to Mr C regarding the UK equity fund and bonds which Mrs C was invested in. In summary it noted previous poor performance but explained recent changes it had made to the funds and how it expected things to improve. Following this, Mr C made withdrawals from Mrs C's investments to fund his mother's care needs. But he didn't make any changes to the remaining funds within the portfolio.

When considering what most likely would have happened had the reviews taken place, I'm mindful that SJP's model portfolios weren't chosen by Mr or Mrs C in 2013 or 2018 when given the opportunity to. Furthermore, when SJP actively recommended a switch to one of its portfolios in 2019, Mr C still didn't respond to that recommendation, despite his concerns

at the time.

I also can't say for certain that SJP would've made fund switch recommendations in later reviews had they happened. I say that as SJP said in its response to the complaint, its usual strategy is to ride out any volatility in the markets over the longer term and in 2021 it tried to reassure Mr C that it thought the fund's performance would improve.

But even if it did make a recommendation to switch funds as it had done so in 2019, I can't reasonably say Mr C would have chosen to switch the funds in later years if the same recommendation would have been made. And so, I'm not persuaded it's likely Mr C would have made changes to Mrs C's portfolio in later years even if the reviews had taken place.

Therefore, I don't uphold this part of the estate of Mrs C's complaint that the missed reviews led to a poor performance of Mrs C's investments and further financial loss.

In its response to the estate of Mrs C's complaint, SJP offered to pay £150 for the distress and inconvenience caused. The powers I have to make awards for distress and inconvenience are limited to the eligible complainant themselves, in this complaint that's Mrs C. So, I don't have the authority to make an award of this nature to the estate. That being said, I see no reason why SJP wouldn't honour the offer it previously made. If the estate of Mrs C now wishes to accept it, it should contact SJP directly.

### **Putting things right**

In assessing what would be fair compensation, I consider that my aim should be to put the estate of Mrs C as close to the position it would probably now be in if the OAC wasn't deducted for the annual reviews that were not provided.

SJP have already offered to refund the charges from 2020 to 2022 plus interest added at 8% simple interest per annum. SJP have deducted tax on the interest as required by HMRC. I think that's a fair approach in the circumstances of this complaint and while I might ordinarily suggest a different way to put things right, SJP's approach isn't likely to be detrimental to the estate of Mrs C which also hasn't raised any concerns about this approach.

To compensate the estate of Mrs C fairly SJP must:

- Refund the ongoing advice charge taken from Mrs C's investments that would've paid for the reviews due in 2020, 2021, 2022 and 2023 and add 8% simple interest to each fee from the point at which it was taken to the date of settlement.
- Provide the details of the calculation to the estate of Mrs C in a clear, simple format.

Income tax may be payable on any interest paid. If SJP deducts income tax from the interest, it should tell the estate of Mrs C how much has been taken off. SJP should give the estate of Mrs C a tax deduction certificate in respect of interest if it asks for one, so it can reclaim the tax on interest from HMRC if appropriate.

### **My final decision**

My final decision is, I partially uphold this complaint and direct St. James's Place Wealth Management Plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 2 April 2026.

Timothy Wilkes  
**Ombudsman**