

The complaint

Mrs P complains that she and her late husband Mr P received unsuitable mortgage advice from St James's Place Wealth Management Plc (SJP).

What happened

Mrs P and the late Mr P were clients of SJP. Over the years they received mortgage advice, as well as investment and protection advice, from SJP. Mrs P has now instructed a professional representative which has complained on her behalf about the financial advice SJP provided. This complaint is solely about the mortgage advice; the other advice received is being dealt with separately.

I don't have evidence about when Mr and Mrs P's mortgage began. But by 2018, when they sought advice from SJP, they had a mortgage with Progressive Building Society that had around seven years left on the term. It was a part and part mortgage, with around £60,000 on repayment terms and £30,000 on interest only. The mortgage was coming to the end of a discounted rate period.

In February 2018, SJP advised Mr and Mrs P to remain with Progressive on the same terms but with a new discounted rate. SJP's advice letter records:

"A part and part mortgage was preferable based on your affordability. Your current mortgage is on a part repayment, part interest only basis and when sourcing for a better deal, we investigated switching to a full repayment basis but unfortunately, the monthly commitment was just too great. By remortgaging onto a similar deal, we were able to keep the monthly payment affordable to you both.

...

I have recommended an investment backed mortgage, where you will use your stocks and shares ISA to repay your mortgage at the end of the term. This was discussed and recommended due to your current affordability. During our sourcing, we addressed the possibility of switching your mortgage to a full repayment basis to ensure the balance would be cleared at the end of the term, but the monthly payment was simply too great to do this. I therefore recommended a savings plan which you could contribute to monthly to build up a pot of funds which could be allocated towards the payment of the remaining balance. I stressed that there were no guarantees that the money saved or the growth gained would be enough to cover the remaining amount outstanding. You understood the risk factor but agreed that it was the most suitable way for you both to move forward.

[discussion about investment risk]

You understood your stocks and shares ISA may not provide sufficient funds to meet the repayment at the end of the term of your mortgage. You confirmed you still wished to proceed under these circumstances as you simply could not afford the monthly repayment cost of a full repayment mortgage. The regular ISA savings plan

will allow you to save as much as you can each month and hopefully you will be able to boost the overall amount saved through good growth and returns. You have also said that should you find yourself with a little additional cash any month, you will also put this away with the aim of building up that pot of funds

...

We discussed the fact that the recommended term will extend past [Mr P]'s retirement age by 9 years and by [Mrs P]'s retirement age by 1 year. I have still recommended this mortgage as you will have sufficient income in retirement from your pension sources to maintain your monthly payments.

...

A capital repayment mortgage would have cost £1,110.75 per month. A comparison illustration highlighting this was provided, however it was discounted simply on cost. You did not have enough by way of disposable income to meet this payment and run your household comfortably. You felt much more at ease keeping the mortgage on a part and part basis and saving what you could each month to clear the remaining balance at the end of the term."

In 2020, when the 2018 discounted rate was coming to an end, SJP recommended a new discounted rate also with Progressive. This time, the advice letter said:

"I have recommended an investment backed mortgage, where you will use your ISA to help towards the repayment of your mortgage at the end of the term. When we reviewed your arrangements two years ago, you were not in the financial position to switch to a full repayment basis but you had no robust arrangements in place to clear the balance when the time came. I had suggested you utilise a little of your disposable income into a tax efficient and readily accessible product to build up a lump sum of savings which could be put towards the balance down the line. By saving into an ISA rather than making overpayments, you would be able to retain access to your funds should an emergency arise, especially given your tight budget. This pot is growing away nicely in the background and should provide a decent lump sum over the next 5 years which you can combine with savings to clear the remaining balance.

...

A capital repayment mortgage would have cost £1,253.98 per month. A comparison illustration highlighting this was provided, however it was discounted because it was simply not affordable to you.

In around 2022, Mr P having sadly passed away, Mrs P repaid the mortgage using the proceeds of an insurance policy.

In 2024, Mrs P's representative complained to SJP. In respect of the mortgage, it said:

"The client needed to repay an interest only mortgage and was not suited to asset-backed investment for this; they should have been advised to take out a repayment mortgage over as long a term as they could obtain to ensure this was fully addressed."

SJP said that it checked affordability and the mortgage was not affordable on a full repayment basis even over the longest possible term. As a full repayment mortgage was not

affordable, a part and part was recommended with the most that could be afforded on repayment terms, along with a recommendation that Mr and Mrs P save what they could into an ISA to build up a repayment pot. It said it considered switching to repayment again in 2020 but doing so was still not affordable. It said it had given suitable advice based on Mr and Mrs P's circumstances. And it said the complaint had been made out of time in any event.

Our investigator agreed that the complaint had been made out of time. Mrs P's representative didn't accept that. It said Mrs P only became aware of cause for complaint when she responded to the representative's advertising, the representative obtained and reviewed the advice file, discovered the unsuitable advice, and complained on her behalf. It said it was "nonsensical" to expect SJP to have provided Mrs P with enough information for her to suspect she may have cause for complaint about the advice she was given. It said there weren't any exceptional circumstances to explain why Mrs P didn't complain any sooner – but in any case the complaint is not out of time because she complained as soon as she could reasonably have been expected to become aware of cause for complaint.

I thought that we could consider part of the complaint – the 2020 advice, but not the 2018 advice – but I didn't think the complaint about the 2020 advice should be upheld. I issued a provisional decision setting out my thoughts, in which I said:

"Was Mrs P given suitable advice in 2020?"

In 2020 Mr and Mrs P sought further advice because their discounted interest rate period was about to come to an end. The mortgage was already set up on a part and part basis. SJP reviewed their circumstances and recommended that the existing mortgage arrangements continue, with a new discounted interest rate.

In making that recommendation, it should have had regard for their needs and circumstances and recommended the most suitable mortgage to meet those needs and circumstances. I'm satisfied it did that. SJP checked their finances and circumstances. It noted that switching to repayment terms would not be affordable, and it noted that Mr and Mrs P had a repayment strategy in place which appeared to be broadly on track. So it confirmed that their existing mortgage arrangements were affordable, and were likely to result in them being able to repay the mortgage at the end of the term. Based on what it recorded about their circumstances, I'm satisfied this was suitable advice.

Even if I was wrong about that, and the advice was not suitable, I still wouldn't uphold the complaint, because I'm not persuaded Mrs P was caused any detriment. The 2020 advice replicated her existing arrangements. And the mortgage has since been paid off, using the proceeds of life cover (also arranged by SJP). So even if the advice to continue with the existing arrangements was unsuitable (which I do not find to be the case), Mrs P has not been left with a mortgage she is unable to repay and has not therefore suffered any financial loss."

Mrs P's representative said that it didn't agree that the 2018 advice couldn't be considered. It also said that the mortgage advice should be considered alongside the investment advice as part of a single complaint. But it didn't have any further comments to make on my findings about the 2020 advice.

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've dealt separately with the question of whether we can consider the 2018 advice, and concluded we can't. This decision focusses on the merits of the complaint about the 2020 advice.

I'm satisfied that it's reasonable to consider the mortgage advice separately to the investment advice. They are different products, and not all the investment advice was linked to the mortgage. The investment advice is being considered separately by a specialist in that area. But all the relevant evidence is available for consideration on both complaints. In this complaint, I am only considering whether the mortgage advice given in 2020 was suitable advice.

As I explained in my provisional decision, that advice essentially replicated Mrs P's existing mortgage arrangements but with a reduced interest rate. The evidence shows that SJP considered converting more of the mortgage to repayment terms, but found that it was unaffordable to do so even over the maximum available term, and that Mrs P had a repayment strategy in place for the repayment of the capital. I'm not persuaded that this was unsuitable advice – and even if it was, since Mrs P has since repaid the capital and has not been left with an interest only balance she can't repay, it did not cause her any detriment.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 14 August 2025.

Simon Pugh
Ombudsman