

The complaint

Mr D complains about the advice he received from DTE Risk and Financial Management Limited trading as DTE Financial Planning ('DTE') to switch two existing pensions to a Self-Invested Personal Pension (SIPP.) He says the original advice was unsuitable and he's also not been provided with the ongoing advice he paid for. As a result, he says he's suffered a loss.

What happened

I issued my provisional decision of 19 June 2025, in which I said I was likely to uphold this complaint and award compensation. My provisional decision set out my reasons why along with the background and circumstances leading up to the complaint. I've included a copy of my decision here as it forms part of my final decision.

Copy of provisional decision

What happened

The following is not a comprehensive run through of the background leading up to this complaint, but a summary of the key events and submissions necessary to understand what has happened here.

On 30 October 2017, Mr D met with DTE. It completed a fact-find document to capture his circumstances and objectives. It recorded Mr D's objective and reason for the meeting as him wanting to explore the options available to him to access a lump sum from his pension to repay his mortgage and buy a new car. It said he wanted to relieve some of the financial burden in his life. I understand Mr D knew of the firm because it had a history of providing advice to employees of the business Mr D was employed at.

The other key information recorded in the fact-find was as follows:

- Mr D was 58, married, in good health, and had no dependents having recently lost his child.
- He jointly owned his home with an outstanding mortgage of around £12,000 on a repayment basis. The outstanding term was not recorded.
- Both Mr D and his wife were employed full-time with a joint income of around £37,000 and their income covered their joint expenditure, albeit there was no breakdown or further detail recorded.
- They jointly held around £5,000 in cash assets. Mr D held three existing pensions – two paid up pensions (the subject of the advice) and his current workplace group personal pension. Their combined value was just under £140,000.
- Mr D's expected retirement age was 65.

DTE also completed a 'Retirement Options Questionnaire' which recorded that Mr D didn't

need an income from his pension because he was not yet retiring; he wanted a lump sum of £20,000 for the reasons noted above; the money couldn't be raised from other capital sources; he wanted flexibility of income when he retired; and he preferred lump sum death benefits over providing a regular income. It also recorded Mr D's investment experience as: 'About as much understanding / knowledge as the next person', which was the middle of five available answers from 'No understanding' to a 'high level of understanding.'

DTE also assessed Mr D's attitude to risk by asking him thirteen questions – the result of which was that he was a 'cautious to moderate' investor (a score of 2 out of 5.) This was described as someone who was prepared to take limited investment risk with a small part of their capital.

In a suitability letter dated 7 February 2018¹, DTE recommended that Mr D transfer both of his existing pensions to a new SIPP, take the £20,000 tax free cash, and invest the residual balance in line with his 'cautious to moderate' attitude to risk until he needed to draw an income. It also noted that Mr D's existing plans did not provide flexible access income drawdown.

The suitability letter, amongst other things also summarised Mr D's circumstances and objectives as previously recorded; the details of his existing pensions; documented some important considerations; referred to the risks involved, Mr D's capacity for loss and his attitude to risk; referred to his knowledge and experience; the options DTE had considered; and the recommended asset allocation and fund selection.

From this I note the following key points:

- DTE had not conducted a comprehensive review of Mr D's income and expenditure but understood his household income was sufficient. It said the recommendation may have been different if a full review of his financial circumstances had taken place.
- Mr D's emergency fund was small, but his ongoing needs were modest, and any surplus tax-free cash could be used to increase it.
- Mr D's aims and objectives were also to establish a plan to take advantage of ongoing advice, he didn't want to retain a 'lifestyle' investment choice for his residual funds because he anticipated using flexible drawdown to access an income. And he wanted to consolidate his pensions for ease of administration.
- Mr D's pensions would form the majority of his future income and while he didn't know how much he would need in retirement, it needed to be flexible which couldn't be achieved with an annuity.
- By moving to a SIPP, DTE said Mr D would have access to a superior range of funds and would benefit from DTE's ongoing review and investment process.
- The ongoing fund charges as a result of the transfer would increase to 1.08% a year from the existing 1.019% and 1.03%, respectively. This would increase further by the 1% ongoing advice charge (OAC).
- Consolidation would allow for ease of administration but the overall cost was higher.
- The investment recommendation asset allocation based on DTE's latest portfolio for a

¹ Mr D's pension transfers had already taken place at this point – I understand the transfers were concluded on 17 January 2018.

cautious to moderate risk investor, was 46% fixed interest, 9% property, and the remainder in equities.

After taking his tax-free cash of £20,000, Mr D's SIPP investment was around £100,000.

Mr D signed a client agreement with DTE for its ongoing advice service. The form indicated that DTE's 'Wealth' service² was chosen, which was usually charged at 0.75% a year – but the agreed charge in Mr D's case was 1% a year.

In November 2018, Mr D received advice from DTE to make a tax-free lump sum withdrawal from his SIPP of around £6,000 for the purpose of home improvements. And again, in October 2019, he received advice to take a similar amount also for home improvements. DTE provided a suitability letter detailing the recommendation on each occasion.

In January 2024, Mr D transferred his pension. And in March 2024, he complained to DTE. He said that he'd sought an independent opinion on the advice he'd received. And as a result, he expressed his concerns about the suitability of the advice. He said he'd been placed in an unnecessarily expensive and complex arrangement, which had lost him around 20% of the value of his pension due to DTE's lack of care / lack of annual reviews, as well as the excessive fees. He said he could ill afford the loss now he was approaching retirement.

Amongst other things, Mr D also highlighted the following other concerns: the three month delay in issuing the suitability report; the report's reference to his existing workplace pension as having a limited fund range when his provider had told him the range was more than 330; why he was paying an OAC of 1% when the normal fee was 0.75%; the misleading portfolio performance data used in the suitability report; and why no other options for funding the tax-free cash were considered. Mr D said the situation had been hugely stressful watching his retirement savings disappear and asked DTE to review things and put things right.

In a final response letter of 16 May 2024, DTE upheld the complaint, in part. In addition to answering the specific points Mr D raised about why the particular SIPP provider had been chosen, the limited range of funds in his existing scheme, the timing of the suitability report, and the performance data and charts used, it made the following key points:

- The advice was suitable because by transferring both of Mr D's pensions it met his aims and objectives and facilitated the flexi access drawdown he required.
- Mr D was fully informed about the risks involved and that the value of his investment could go up and down. Mr D made the ultimate decision to transfer to take the £20,000 tax-free cash to meet his objective.
- Mr D was made fully aware of the costs involved including the 3% initial fee and the OAC of 1% for the 'Wealth' service which was the agreed rate for employees of Mr D's firm.
- It was incorrect to claim that DTE had not considered the alternatives to transferring Mr D's pension – Mr D's existing workplace scheme wouldn't have supported a £20,000 lump sum withdrawal, Mr D hadn't disclosed details of his wife's pensions (Mr D said in his complaint letter these could have been used instead) and the paperwork from the time said Mr D didn't have any other sources of capital he could use to raise the funds.

² An annual valuation, annual meeting with an adviser, annual assessment of circumstances including attitude to risk, and a portfolio rebalance in line with fund model.

- Annual reviews were carried out except for 2021, which was inadvertently missed. And it offered £1,250 representing a refund of the fees paid plus around £210 as a gesture of goodwill.
- It acknowledged the fall in value of Mr D's pension between 2021 and 2022 citing the global events at the time such as Covid, but said his portfolio was well on the way to recovering but for him transferring out.

Dissatisfied with its response, Mr D referred his complaint to us. He said he'd been given inappropriate advice and then given no ongoing advice despite paying for it. He also commented on each section of DTE's final response letter saying why he disagreed with its findings. While I have read and considered this, I've not set this out here.

Mr D then asked for his representative to be added to the complaint. They provided a submission for our consideration, which broadly elaborated on the points Mr D made in his complaint to DTE. But in summary, the crux of their argument is that Mr D's documented objectives were generic, there was no need for him to do anything with his pensions, and DTE wasn't compelled to advise him to do something that wasn't in his best interests.

One of our investigators considered all of this and they upheld the complaint, in part. They said they thought the advice to transfer Mr D's pensions was suitable because Mr D needed flexibility to access his pension monies to meet his objectives – he didn't need an income at this time but required a lump sum. They said the investment recommendation was in line with his attitude to risk and he was made aware of the higher costs involved with transferring. They said in relation to the 20% drop in value Mr D had referred to, performance wasn't guaranteed and that even in a relatively low risk portfolio, losses are unavoidable. They repeated that the investments chosen for Mr D's pension monies were suitable.

But they said DTE's offer to just refund the 2021 OAC Mr D paid wasn't fair in the circumstances. They said because the 2021 annual review was missed, Mr D's portfolio wasn't rebalanced when it would otherwise have been. They also said Mr D paid for a review in 2023 which also wasn't provided. They said to put things right, DTE should calculate the notional value of Mr D's pension had the portfolio rebalance taken place in November 2021 and if the 2023 fees had remained invested. And if the notional value was higher than the actual value, it should pay Mr D the lost amount including appropriate interest.

Mr D disagreed and his representative again elaborated on the points already made. They said there were points that hadn't been addressed, or hadn't been fully addressed in relation to DTE's advice. Amongst other things they referred to Mr D's lack of investment experience challenging something the investigator said in their view about Mr D being quite financially astute; the unfairness of charging more for an ongoing advice service just because of who Mr D worked for; the lack of proper and tangible ongoing advice; DTE's failure to comply with the FCA's conduct of business rules; and its advice to Mr D which shared similar concerns with the regulator's past thematic review into pension switching.

And in a further submission, they repeated the point that, in their view, the transfer was not necessary.

In response to the investigator's assessment DTE said that, while it disagreed it missed a second annual review in 2023 (the review was ready, but it was unable to complete it, albeit a bit late because Mr D transferred his funds out of the SIPP in January 2024) it was prepared to accept the investigator's conclusions and pay Mr D an increased amount of £3,850 based on its revised calculations.

Because things couldn't be resolved informally, the matter was passed to me for a decision.

What I've provisionally 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 taken into account relevant law and regulations, regulatory rules, guidance and standards, codes of practice, and (where appropriate) what I consider to have been good industry practice at the relevant time. And where the evidence is incomplete or inconclusive I've reached my decision based on the balance of probabilities – in other words, on what I think is more likely than not to have happened, given the available evidence and wider circumstances.

As a regulated firm, DTE had many rules and principles that it needed to adhere to when providing advice to Mr D. And these can be found in the Financial Conduct Authority (FCA) handbook under the Conduct of Business Sourcebook (COBS) and Principles for Businesses (PRIN) as they were at the time of the advice.

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of DTE's actions here.

PRIN 6: A firm must pay due regard to the interests of its customers and treat them fairly.

PRIN 7: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

COBS 2.1.1R: A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).

The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability.

Having considered all of this and the evidence in this case, I'm currently minded to uphold this complaint. While Mr D has raised a number of complaint points covering the original transfer advice DTE provided as well as the ongoing advice, the crux of this complaint is the suitability, or otherwise, of DTE's advice to Mr D to transfer his two existing pension plans to a SIPP to meet his objectives. And I think the advice given to Mr D to transfer or switch his existing paid-up pensions to a SIPP was unsuitable at the time and was not in his best interests. I'll explain why.

Suitability of the transfer advice

As I set out earlier on, DTE documented that Mr D's primary objective, and ultimately the reason why it recommended he move his two existing pensions to a new flexible pension arrangement, was he wanted to access his pension to raise a lump sum of £20,000 to repay his mortgage in full and to buy a car. Mr D wasn't intending to retire at this point – his intended retirement age was 65. So, because he still working, he didn't need an income at this time.

In my view, to demonstrate that it was in Mr D's best interests to access his pension benefits early – that is before his intended retirement age – and release a cash lump sum, DTE need to show that Mr D's objectives were real and pressing and/or couldn't reasonably be met by other means. But I'm not persuaded the available evidence and crucially the information DTE captured and understood about Mr D's circumstances at the time, supports him having

a real and pressing need to access his pension benefits.

Firstly, concerning Mr D's desire to repay his mortgage in full. DTE recorded that his outstanding mortgage was £12,000 and that it was on a repayment basis. But that's all DTE recorded about it. It did not record, and so appears not to have asked Mr D, what I consider were other key details about his mortgage and situation to determine if it was suitable for him to use his pension to repay it. For example, DTE didn't capture the rate of interest being charged and what product or rate type Mr D's mortgage was on. Mr D's mortgage might have been at a particularly low rate for example. And if it was on a fixed or discounted rate it might have been subject to an early repayment charge. In some cases, these charges can be significant. I think this information was important to understand whether repayment of Mr D's mortgage in full at this time made economic or financial sense. DTE failed to understand this.

In addition, DTE didn't record the remaining term of Mr D's mortgage. So, it didn't know when it would be repaid in the ordinary course of events. Mr D's mortgage was on a repayment basis, so it would naturally have an end date and be repaid in full. It's clear that Mr D intended to continue working until 65, which was around seven years away. So, it's possible (it seems likely in fact given the outstanding balance) that during this period his mortgage would be fully repaid in any event via his normal monthly repayments. Again, DTE failed to consider this.

I accept that if Mr D's finances were strained and he was coming under financial pressure, repayment of his mortgage might be a consideration to ease that burden. But there is not enough evidence to show this was likely the case here. The fact-find recorded that Mr D said he wanted to ease some of the financial burden due to some difficult recent circumstances. But DTE didn't carry out a review of his wider financial circumstances to support that. DTE did not understand how much Mr D's mortgage was costing him each month and the budget planner or income and expenditure section of the fact-find simply said: 'income covers outgoings.' There was no breakdown or other detail recorded when I think there ought reasonably to have been.

I can see that the fact-find recorded that Mr D's wife was in poor health at the time having recently been diagnosed with a medical condition. But it also said the outlook was good, so there was no indication that Mr D's household income situation would drastically change.

Of course, if Mr D was finding it difficult to maintain his monthly mortgage payments (for the avoidance of doubt there is no evidence this was the case here) DTE should have advised him to speak to his lender in the first instance. The lender was under a duty to treat Mr D fairly if this was the situation, as DTE ought reasonably to have known.

Overall, I think DTE should have done more here given the circumstances and what Mr D was seeking to do. I don't think it was appropriate to facilitate Mr D accessing his pension for repayment of his mortgage without understanding Mr D's current and complete financial position. Based on what was recorded there's no evidence to suggest, or that DTE could reasonably have believed, Mr D needed to access his pension benefits to repay his mortgage at this time.

It strikes me that given the difficult personal circumstances Mr D had recently found himself in, he believed repayment of his mortgage was what he wanted and was the right thing to do. But it wasn't DTE's role to simply transact or facilitate what Mr D wanted. Its role was to really understand what Mr D needed and recommend what was in his best interests. I don't think DTE did that here. It strikes me that in the circumstances DTE should have put Mr D at

ease instead of facilitating the switch. In the circumstances I don't think he should have been advised to transfer.

Repayment of his mortgage wasn't the only thing Mr D was seeking to do with his pension lump sum. He also wanted to buy a car. But again, there's nothing to indicate this was an essential purchase. It was recorded that Mr D had a car valued at £7,000. And it didn't record anything to suggest that Mr D's current car needed replacing because it was beyond economical repair for example meaning that he had an essential travel need – i.e. it was impacting his ability to get to work. So, it appears from the evidence that a new car was a 'nice to have' rather than a necessity.

Also, I don't think DTE did enough to explore the alternatives reasonably available to Mr D. On the basis that Mr D's mortgage would take up £12,000 of the £20,000 he said he needed, this left £8,000 for a car. While Mr D didn't have much in the way of savings he could use, there's nothing to suggest that Mr D couldn't have explored the option of borrowing the money instead. Again, Mr D intended to continue working. And DTE didn't record anything to show a loan was unaffordable – I refer to my point above about the lack of detail recorded about Mr D's wider financial position. In fact, a line in the suitability letter of February 2017 referred to Mr D's ongoing needs as 'modest', suggesting there was capacity for borrowing. DTE might have recorded that Mr D didn't want to borrow the money to repay his mortgage, but there's no evidence to show this was properly discussed / explored for the car purchase giving example monthly costs over various terms. I don't think DTE acted fairly and reasonably here.

More generally, DTE cited Mr D's need for flexibility and a requirement for a flexible income in retirement, which couldn't be achieved with an annuity. But DTE didn't understand or try to understand Mr D's future income needs in retirement. And with his retirement still at least seven years away, I can't see how Mr D would know he needed flexible access to his pension or that an annuity wouldn't meet his ultimate needs. It strikes me the reference to flexibility here was simply a feature or a consequence of transferring Mr D's pensions to a SIPP to allow him to take a cash lump sum rather than a genuine objective. And I've already said why I don't think Mr D had a genuine need, based on what I have seen, to access his pension benefits via a cash lump sum at this stage.

Furthermore, DTE's failure to understand Mr D's future income needs meant, crucially in my view, it couldn't assess the impact of Mr D taking money out of his pension now, on the ability of the residual funds to produce the retirement income he'd need in the future. DTE documented that Mr D was going to be reliant on his pension funds to provide his retirement income. So, advising him to access money now without understanding this, was in my view putting his future income needs at risk.

Mr D might not have been giving up any guarantees by transferring – his existing pensions were not defined benefit schemes and no guaranteed annuity rates applied for example. But taking all of the above into account, I think DTE's advice to Mr D to transfer his two existing pensions to a new personal arrangement for the purpose of accessing a cash lump sum was unsuitable and not in his best interests.

While I'm satisfied the above is sufficient reason to demonstrate the advice was not suitable, I would like to briefly comment on three other aspects of the advice / reasons DTE gave as to why it believed the advice was suitable and met Mr D's objectives.

DTE said that a transfer to a SIPP would give Mr D access to a greater number of investment funds and that he didn't want to retain a 'lifestyling' profile on his residual funds as per his existing pensions' investment strategy. Having access to more funds of itself isn't in my view a suitable reason to justify the transfer. And I'm mindful that with Mr D's relatively

cautious approach to investment risk (a score of 2 out of 5 and the answers Mr D gave to the questions in the risk assessment reasonably demonstrate he was on the cautious side of a 'cautious to moderate' approach) coupled with his limited investment experience (I can't see that Mr D did have any real experience outside of his existing pensions and I disagree with the investigator that Mr D was financially astute) not only was a 'lifestyle' strategy likely appropriate for him, but I'm not persuaded a larger fund choice had any real benefit to him.

Transferring to the SIPP meant Mr D would incur higher charges – a marginal increase in the ongoing plan and fund charges, but further increased by DTE's 1% OAC. DTE might have disclosed this to Mr D. But disclosing it wasn't all DTE needed to do – it needed to consider the increased cost in deciding whether the transfer overall was suitable. And I'm not persuaded the increased costs were justified here. Because of Mr D's more cautious approach to risk and the resulting investment strategy geared more towards bonds / gilts, I think the increased charges would have a greater impact on the likely out performance potential of Mr D's residual pension fund. I think with Mr D's more cautious approach to risk, he would need to have a greater potential for gain (without taking more investment risk) to justify the transfer. But I'm not persuaded there was the potential for this here.

DTE also referred to the transfer offering Mr D ease of administration through consolidating his pensions. It's not clear to me that Mr D was experiencing any administrative burden as things stood. But in any event, the transfer resulted in Mr D having two pensions instead of three. So, I don't consider any benefit here was material.

Summary

Overall, based on the evidence I've seen, I think the advice DTE gave to Mr D to transfer his two existing pensions to another personal pension arrangement was unsuitable and not in his best interests. Mr D might have thought that accessing a lump sum from his pension to repay his mortgage and buy a car was the right thing to do in the circumstances. But DTE wasn't there to simply facilitate what Mr D wanted – its role was to properly advise Mr D on what was in his best interests. I don't think DTE did that. Had it done so, for the reasons I set out above, I think it ought to have identified that Mr D did not have a genuine need for flexibility or a pressing need to access a cash lump sum from his pension at this time, and that in the circumstances a transfer was not in his best interests. I think DTE should have provided reassurance to Mr D instead and recommended he keep his existing pensions where they were. Mr D could always transfer later on and when his retirement plans and needs were better formulated, if it was suitable to do so and he couldn't achieve things via his existing pension plans.

I've thought carefully about whether Mr D would have gone ahead anyway, against DTE's advice. But I'm not persuaded Mr D would more likely than not have insisted on transferring or switching his pensions against DTE's advice. I say this because I don't think Mr D was an experienced investor or someone who otherwise possessed the requisite skill, knowledge or confidence to go against the advice they were given. I think Mr D relied on the advice he was given.

So, if DTE had advised Mr D that accessing a pension lump sum for the purposes he intended was not in his best interests clearly explaining why, I think he would have followed that advice.

I therefore intend to uphold this complaint and I think it is fair for DTE to put things right, which I have set out below.

Other complaint points including the ongoing advice

As I referred to earlier on, Mr D has raised a number of specific points or issues to do with both the original transfer advice and the process used, and the ongoing advice later on. But as I've decided to uphold the complaint because I don't think the transfer would have gone ahead if suitable advice had been given, it isn't necessary for me to consider these other points. And that includes the points made about the ongoing advice. This is because the proposed redress deals with this – it already takes into account that Mr D would not have paid OACs if he'd been suitably advised.

Distress and inconvenience

I've also considered whether it is fair to make an award for distress and inconvenience. This isn't intended to fine or punish DTE – that's the job of the regulator. But when something has gone wrong, I think it's important to recognise the emotional and practical impact any failing might have had.

We're all inconvenienced at times in our day-to-day lives – and in our dealings with other people, businesses and organisations. When thinking about compensation, I need to decide that the impact of a firm's actions was greater than just a minor inconvenience or upset. I think this was the case here. It's clear from Mr D's complaint submissions that he was concerned about the fall in the value of his pension so close to his expected retirement and that upon seeking advice elsewhere, he was given reason to doubt the suitability of the advice he received. Mr D has described this as being hugely stressful.

Making an award of this nature is not an exact science. But taking the above into account, I think an award of £250 is fair in the circumstances.

End of copy of provisional decision

Responses to my provisional decision

Mr D said he was happy to accept my provisional decision.

DTE said it was likely to respond and asked for an extension to provide one, which was granted. But the deadline has passed and DTE has not responded.

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, while I'm mindful that DTE has not responded to my provisional decision, I'm satisfied it understood by when it needed to do so. So, I think if it wanted to respond it would have done so by now. So, because I've not been given anything new to consider, I've not changed my mind – I've decided to uphold this complaint for the same reasons I gave in my provisional decision.

Putting things right

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

I think Mr D would have retained both his pensions with his previous provider. But I cannot be certain that a value will be obtainable for what the previous policies would have been

worth because of the withdrawals Mr D has made – although I expect the provider to make best endeavours to do so. I am satisfied what I have set out below is fair and reasonable, taking this into account and given Mr D's circumstances and objectives when he invested.

What must DTE do?

To compensate Mr D fairly, DTE must:

- Compare the performance of Mr D's investment with the notional value of his previous plans had they both 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.
- DTE should also add any interest set out below to the compensation payable.
- If there is a loss, DTE should pay into Mr D's pension plan to increase its value by the amount of the compensation and any interest. The amount paid should allow for the effect of charges and any available tax relief. Compensation should not be paid into the pension plan if it would conflict with any existing protection or allowance.
- If DTE is unable to pay the compensation into Mr D's pension plan, it should pay that amount direct to him. But had it been possible to pay into the plan, it would have provided a taxable income. So, the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount - it isn't a payment of tax to HMRC, so Mr D won't be able to reclaim any of the reduction after compensation is paid.
- The notional allowance should be calculated using Mr D's actual or expected marginal rate of tax at his selected retirement age.
- It's reasonable to assume that Mr D is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr D would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.
- Pay Mr D £250 for the distress caused by the unsuitable advice and the loss in value of his pension plan so close to his intended retirement.

Income tax may be payable on any interest paid. If DTE deducts income tax from the interest, it should tell Mr D how much has been taken off. DTE should give Mr D a tax deduction certificate in respect of interest if Mr D asks for one, so he can reclaim the tax on interest from HM Revenue & Customs if appropriate.

Portfolio	Status	Benchmark	From ("Start	To ("end	Additional
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name			date")	date")	interest
Mr D's pension plan	No longer in force (transferred away)	Notional values from previous provider	Date of investment	Date ceased to be held with DTE as adviser	8% simple interest 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 combined value of Mr D's pension plans investment had they both remained with the previous provider until the end date. DTE should request that the previous provider calculate this value.

Any withdrawal from Mr D's pension plan 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 DTE 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, DTE will need to determine a fair value for Mr D's investment instead, using this benchmark: For half the investment: FTSE UK Private Investors Income Total Return Index; for the other half: average rate from fixed rate bonds. 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've chosen this method of compensation because:

- Mr D wanted Capital growth with a small risk to his capital.
- If the previous provider is unable to calculate a notional value, then I consider the measure below is appropriate.
- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to his capital.
- The FTSE UK Private Investors Income Total Return index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It's a fair measure for someone who was prepared to take some risk to get a higher return.
- I consider that Mr D's risk profile was in between, in the sense that he was prepared to take a small level of risk to attain his investment objectives. So, the 50/50 combination would reasonably put Mr D into that position. It does not

mean that Mr D would have invested 50% of his money in a fixed rate bond and 50% in some kind of index tracker investment. Rather, I consider this a reasonable compromise that broadly reflects the sort of return Mr D could have obtained from investments suited to his objective and risk attitude.

My final decision

I've decided to uphold this complaint and I instruct DTE Risk and Financial Management Limited trading as DTE Financial Planning to put things right in line with approach above.

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

Paul Featherstone

Ombudsman