

The complaint

Mrs B has complained that IFG Pensions Limited trading as IFGL Pensions (IFGL), the administrator of her SIPP (self invested personal pension) hasn't invested contributions to the SIPP correctly.

Mrs B's SIPP administrator was Sovereign Pension Services (UK) Limited (SPS) which was acquired by IFGL in March 2023. For convenience I've just referred to IFGL below, references to which should be taken to include SPS where appropriate.

What happened

I issued a provisional decision on 3 July 2025. I've recapped here what I said about what had happened and my provisional findings.

'IFGL hasn't provided its full business file. But Mrs B has provided a lot of information, including email trails between her and IFGL concerning contributions to the SIPP. What follows is a summary taken from the documents we've seen. Although I've read and considered everything that's been supplied I'm only going to refer to what I see as key. I don't think there's much disagreement about what happened anyway – it's more about should've happened.'

Mrs B's SIPP was set up in October 2016 with the help of a financial adviser who has remained in place throughout. There's an email from the adviser on 13 September 2016 to IFGL which refers to a 50/50 split between the Quilter Cheviot and the Vestra Balanced Model Portfolio Services. There's another email from the adviser on 20 July 2017 to IFGL saying '... following on from our conversation please can [Mrs B] invest all regular contributions on a 50/50 split basis between Vestra and Quilter, including the monies which are presently in her cash fund with you.'

Mrs B says that issues arose in about October 2021. Her complaint centres on what happened when the monthly contributions paid into her SIPP increased, which happened several times. She says the higher amount should've been split equally between the two portfolios, in accordance with the investment instructions given at the outset. But IFGL says that instruction only applied to the contributions which were originally being paid and that new investment instructions were needed if the contributions increased – that is for the 'extra' amount that would be paid in. As IFGL didn't always get any instructions to increase the investment amounts, the balance was held in the SIPP cash account.

There were some other issues too, including concerning a lump sum contribution of £34,595.52 (the proceeds of a sale of a property) in March 2023 which IFGL accepts it failed to invest, despite Mrs B having given investment instructions. And there was a similar oversight by IFGL with a transfer value of £743.03 paid into the SIPP in November 2021. What had happened came to light in early 2024. IFGL emailed Mrs B on 6 February 2024 saying that £61,508.42 (which included the £34,595.52 she'd paid in as an individual contribution) was held in the SIPP bank account and asking for Mrs B's investment instructions.

Mrs B replied the following day asking when the money had been received. She didn't get a reply and she emailed again on 13 March 2024. She noted that 'the funds have now been split between the two investment managers in accordance with my standing instructions'. She wanted to know when the funds had been received and why they hadn't been split timeously between the two investment managers. Mrs B emailed again on 4 April 2024. She said if she didn't get a reply by 19 April 2024 then she'd be making a formal complaint. IFGL emailed her on 16 April 2024. IFGL said that Mrs B had asked in her email of 29 March 2023 (IFGL having emailed her the previous day saying the contribution of £34,595.02 had been received) to split the funds between the two investments. IFGL added that was to reiterate an instruction which had never changed. But regrettably Mrs B's instruction had been overlooked while IFGL had looked into another query she'd raised.

Mrs B complained to IFGL. IFGL emailed her on 11 June 2024 saying it was currently investigating her complaint but as the issues raised began in 2021 IFGL was still reviewing any potential financial loss that may have occurred.

Mrs B referred her complaint to us in August 2024. She said that her adviser had calculated her financial loss to be £5,434.61. She still hadn't received any final response from IFGL.

When we contacted IFGL to say we'd received a complaint from Mrs B it told us that it was trying to obtain information from a third party and so we allowed further time to respond as we did when IFGL later said it was awaiting details from its Operations Team. But, as we didn't then hear further, our investigator issued his view on 19 November 2024. He upheld the complaint. He said Mrs B's instruction to invest 50/50 between Quilter and Vestra had been in place since at least 22 October 2018. He referred to the SIPP bank account statement which showed many instances of the 50/50 investment split matching Mrs B's contributions. He set out how IFGL needed to put things right.

However, on 22 November 2024, IFGL issued its final response. It upheld the complaint in part. In summary IFGL said:

- Mrs B had emailed on 1 October 2021 increasing her monthly contribution from £266.13 to £357.66. However IFGL didn't get an instruction to increase the investment amount.*
- On 29 November 2021 IFGL emailed Mrs B's adviser having received an amount of £743.03. The adviser responded the following day and instructed IFGL to split the contribution 50/50 between the two portfolios. IFGL didn't action that and apologised for its oversight.*
- On 18 January 2022 Mrs B's instruction to amend her contribution amount to £798.66 was received which IFGL acknowledged by email the following day. But no instruction to increase the investment amount was received.*
- On 18 July 2022 Mrs B emailed increasing her contribution to £832.00. Again no instruction to increase the investment amount was received.*
- Mrs B emailed on 30 January 2023 to advise a further increase from £832 to £1,165 and asking for relevant forms to complete for that to be actioned. IFGL responded on 13 February 2023 (after the email had been forwarded to the correct team at IFGL) and requested any investment instruction for the contribution increase. Mrs B replied on 1 March 2023 instructing a 50/50 split but IFGL failed to action her instruction.*
- A single contribution of £34,595.52 had been received on 28 March 2023. In an email*

sent the same day Mrs B again instructed a 5/50 split. But, although the contribution was applied to her SIPP, the investment instruction wasn't acted on.

- IFGL didn't provide financial advice and only acted on the instructions given. It was Mrs B's or her adviser's responsibility to give clear investment instructions when the contribution amount and frequency changed.*
- IFGL had asked the two portfolio administrators to calculate Mrs B's losses. As a result of the lump sum contribution received on 28 March 2023 not being invested there was a loss of £643.48 on one fund and £1,487.60 on the other, so a total loss of £2,131.087 which, after deduction of interest earned in the SIPP bank account of £531.41, made a net loss of £1,599.67. Losses for the smaller contributions which weren't invested had been calculated as £821.47 and £240.14 so a total of £1,061.61. Overall Mrs B's losses were £2,661.28 which would be credited to the SIPP bank account. IFGL also offered £200 for distress and inconvenience.*

Mrs B commented on IFGL's letter. In summary she said her instruction to split the contributions evenly between the same two investment managers had never changed. She'd looked through past correspondence, as had her adviser, to see if it was clear or reasonable to conclude that instruction was a standing order. She pointed to four emails: her email of 28 March 2023; IFGL's email of 16 April 2024 acknowledging the instruction of 23 February 2023 wasn't picked up; IFGL's email of 23 February 2021 asking for confirmation of the split; and her email of the same day confirming the split. She also referred to her adviser's emails of 13 September 2016 and 20 July 2017.

She added that her salary and contribution percentages are likely to change with time and circumstances. There'd been many changes since October 2016, including lump sum payments. Only rarely had she been asked to confirm the split and, when she had, she'd reiterated the standing instruction. That 50/50 split between Quilter and Vestra had been set at the beginning and had never varied. When there'd been a change in contributions she'd had to complete a form but there was nothing on it asking for investment instructions so it was reasonable to conclude that the standing instruction would remain in place and contributions allocated accordingly.

The investigator considered what IFGL had said in its final response letter but he didn't think it changed things. He said every instruction from Mrs B or her adviser had been the same and so he didn't expect IFGL to deviate from that without an instruction to the contrary. He also referred to the SIPP terms and conditions and, in particular, to what was said about the exercise of investment options – that the member would direct the matter in which assets in their SIPP are to be invested and that IFGL would continue to give effect to that until that investment instruction was countermanded on notice by the member or their adviser.

In response IFGL said that if a member made regular contributions of, say, £500 and instructed a 50/50 split then IFGL would continue to invest on that basis unless the member said otherwise. But, if the amount of the regular contributions changed to, say, £1,000, IFGL doesn't assume that the member wants to invest in the same way. So, in that scenario, £500 would be invested in line with the member's instruction and the £500 increment would remain in the SIPP bank account until the member instructed IFGL how to proceed.

As agreement couldn't be reached the complaint was referred to me to decide.

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.

IFGL has accepted that it didn't do all it should've and has calculated and offered compensation. However Mrs B's position is that IFGL's shortcomings were wider than its admitted failures to action specific investment instructions given by her or her adviser.

IFGL has provided a Key Facts Document (KFD). It's an up to date version but I assume what would've been issued to Mrs B when the account was opened would've been similar. The KFD said, amongst other things, that the member must instruct IFGL where to invest the SIPP assets or appoint someone else to do that such as an adviser or stockbroker. The member is responsible for deciding where to invest their SIPP assets. Performance of the investments in the SIPP isn't monitored – it's up to the member or their adviser to do that.

That reflects what the SIPP terms and conditions say. Section 6 deals with investment options. 6.2 says that the member must direct the manner in which their SIPP is invested. And, subject to paragraph 6.3 (which isn't relevant here), the trustee will normally give effect to the member's investment decision/directions and as soon as is reasonably practicable after the same is made (6.2.1) and will normally thereafter continue to give effect to the same until that investment decision/direction is countermanded by giving due notice to the Trustee (6.2.2). Here IFGL is the SIPP administrator not the trustee. But instructions given to IFGL as the administrator would be passed on to the trustee so the result is the same.

I can see IFGL's argument that it did comply with the terms and conditions on the basis that Mrs B/her adviser gave an investment instruction limited to the contribution that was at the time being made and so it wasn't for IFGL to assume, if the contribution was increased, that the same instruction should apply to the extra amount.

But, on the other hand, I can see Mrs B's position – that a standing investment instruction was given at the outset and which should've been taken to apply generally and to all regular contributions that were made unless and until different instructions were given – that is, that the original investment direction was countermanded.

The adviser's email of 20 July 2017 supports that. It refers to 'all regular contributions'. In my view, that's wide enough to encompass the regular contributions currently being made as well as future regular contributions, including any increments. And the instruction is clear – to invest on a '50/50 split basis between Vestra and Quilter'. So I think the adviser's email was enough to set up a standing investment instruction for all regular contributions into the SIPP.

There's also IFGL's email of 16 April 2024 and which seems to go some way to acknowledge that Mrs B had given a standing instruction – it refers to her email of 23 March 2023 saying to split the funds between the two investments and which 'was to reiterate an instruction which had never changed'.

Mrs B would also email to notify IFGL that the contributions would be increasing. I don't think it would've taken too much for IFGL to ask Mrs B to confirm that her investment instructions remained the same – that the higher sum should still be split 50/50 between the two nominated portfolios.

And it appears IFGL sometimes did that. IFGL emailed Mrs B on 23 February 2021 with an illustration (which I don't think we've seen) for increased employer contributions and asking if she wanted the new contribution amount split and invested in the Vestra and Quilter funds as previously. IFGL said a small amount could be held back each month to build up to cover the annual fee of £330 so that disinvestments weren't required each year. Mrs B replied the same day querying if IFGL had received the completed contribution and declaration forms she'd returned in December 2020. She also said the monthly contribution was currently £266.33 pm and asked if that changed the illustration. She said the monthly contribution

should be split equally between Vestra and Quilter as before and she was happy for some to be kept back to cover the annual fee.

There's also Mrs B's email of 30 January 2023 advising a further increase (from £832 to £1,165) and asking for forms to complete for that to be actioned. IFGL responded on 13 February 2023 and requested an investment instruction for the contribution increase. Mrs B replied on 1 March 2023 instructing a 50/50 split – which IFGL accepts it failed to action.

So, even if IFGL's position is that it needed specific instructions for the higher amounts (the increment), there's some inconsistency on IFGL's part as it appears that it sometimes sought investment instructions but not always. That would indicate that IFGL was itself somewhat unsure whether fresh investment instructions were required or not. If IFGL was unclear then it's unsurprising that Mrs B didn't realise that further investment directions were needed.

Further, as Mrs B has pointed out, the forms she completed in connection with increases to the contributions didn't ask her for investment instructions. So she'd have reasonably assumed the instruction given at the outset remained in place.

All in all my view is that IFGL should've invested all regular contributions split 50/50 in accordance with the standing instruction.

That instruction only applied to regular contributions. I say that because the adviser's email of 20 July 2017 specified regular contributions. However, Mrs B also made two single contributions. One was a transfer value of £743.03 from another pension arrangement which IFGL received on or about 29 November 2021. The other was the payment of £34,595.52 which IFGL received on 28 March 2023. In both cases, investment instructions were given. In relation to the payment of £743.03, Mrs B's adviser replied to IFGL's email of 29 November 2021 the following day, instructing a 50/50 split between the Quilter and Vestra portfolios. And Mrs B's email of 28 March 2023 instructed the same for the £34,595.52. IFGL admits that neither investment instruction was acted on.

However, there's a further aspect which I've also considered. I've looked at the 2021, 2022 and 2023 annual statements which were issued to Mrs B. The first, for the period 1 November 2020 to 31 October 2021, shows the total SIPP value as £528,372.75. That was made up of the Quilter and Vestra portfolios, worth £265,850 and £261,835.97 respectively, plus £686.78 held in the SIPP bank account. The annual statement sent to Mrs B the following year, on 31 October 2022, gave a total value of £481,860.14, made up of £5,452.07 in the SIPP bank account, £235,843 in the Quilter portfolio and £240,565.07 in the Vestra portfolio. The next annual statement, sent to Mrs B on 31 October 2023, gave an overall value of £535,531.94, made up of the Quilter and Vestra portfolios of £244,300 and £241,769.75 respectively and £49,462.19 in the SIPP bank account.

The point I'd make is that the 2023 statement did show substantial cash held in the SIPP bank account. It would've included the contribution of £34,595.52. The previous' years statement also showed a fair amount – over £5,000 in cash – and which had grown considerably from the cash balance of £686.78 shown on the 2021 annual statement. Arguably that should've alerted Mrs B and/or her adviser to the fact that some of the contributions weren't being invested. But I think a cash balance of £49,462.19 should undoubtedly have raised queries.

Even where a business has made a mistake we'd still look at the wider circumstances, including if the consumer should've realised something had gone wrong and taken steps to address it – essentially if the consumer could've mitigated their position.

I think that's the case here. Mrs B might say that IFGL should've alerted her earlier to the

large cash balance – IFGL didn't contact her until 6 February 2024 to ask for investment instructions. But, in my view, the annual statement issued to Mrs B on 31 October 2023 should've alerted her to the position. Had she queried the large cash balance with IFGL she'd have found out what had been going on – not only that the single contributions of £743.03 and £34,595.52 hadn't been invested but also that only part of some of the regular contributions had been invested. She could then have issued investment instructions for the bulk of the money held in cash to be invested and to ensure that, going forwards, the full amount of the contributions, including increases to the regular contributions, were invested as she wanted.

In the circumstances I think it's fair to say IFGL should only be responsible for any losses up to 30 November 2023. That gives a window for Mrs B, on receipt of the annual statement dated 31 October 2023, to have ascertained what had happened and taken steps to rectify the position. The redress I've set out below reflects that.'

I went on to set out what IFGL needed to do to put things right for Mrs B. IFGL accepted my provisional decision and said it would start sourcing the information to carry out the calculations I'd said should be done.

Mrs B wasn't entirely happy. Overall she thought my provisional decision was fair and reasonable but she didn't agree with what I'd said about IFGL only being responsible for her losses up to 30 November 2023. Especially as she hadn't received the annual statement dated 31 October 2023 until two weeks later, on 14 November 2023. She thought 30 days was ambitious for the statement to be processed, emailed, opened and considered in conjunction with her adviser. And, in view of Christmas and the New Year coming up, she suggested that, at the very least, until 31 January 2024 would be reasonable.

But her position was that IFGL should be responsible for the entire period anyway. She said there'd been delay on IFGL's part when things did come to light in February 2024. She also pointed out that IFGL had requested a completed declaration form on 11 March 2023 which she'd returned on 28 March 2023 with an investment instruction to split the funds 50/50 as there was no section on the form for that. Mrs B felt that indicated IFGL's policy was to rely on a standing instruction and it would be reasonable for someone making a contribution to assume that was the case as there was no request for investment instructions.

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 considered Mrs B's further comments carefully. Her main concern with my provisional decision is what I've said about IFGL only being responsible for the funds held in cash not being invested up until 30 November 2023.

I note what she's said about not receiving the annual statement dated 31 October 2023 until 14 November 2023. But, even so, I don't think the Christmas and New Year holiday periods were sufficiently proximate to be relevant. And, having considered the other points, I'm not persuaded that I should say that IFGL should be responsible after 30 November 2023 for the funds not being invested.

First, I mentioned in my provisional decision that, arguably, the cash balance of over £5,000 shown on the previous year's annual statement as having built up should've raised some queries and led Mrs B to question what had been happening with her contributions. But, secondly and more importantly, I think that seeing such a large amount – £49,462.19 – was held in cash the following year should've prompted some urgent enquiries and a prompt

instruction for that money to be invested as a matter of urgency. Given that Mrs B's investment instructions didn't vary, it wasn't the case that detailed consideration would've needed to have been given as to where the funds should be invested – it would simply have been the case that Mrs B would've confirmed she wanted the bulk of the money (with some retained to meet fees) – to be split 50/50 across the Quilter and Vestra portfolios. I think that would've been relatively easy to instruct and wouldn't have taken long to implement.

I also take into account what Mrs B has said about there being delay on IFGL's part when the matter did come to light in February 2024. It took IFGL until 12 February 2024 to respond to Mrs B's query on 7 February 2024 about when the money (held in the cash account) had been received. Mrs B replied the same day (12 February 2024) confirming her instruction for the money to be split 50/50 between the Quilter and Vestra portfolios. She says the matter was resolved on 29 February 2024 with confirmation that the funds had been split as requested. That's just outside a 14 day window – that is from 12 February 2024 – but IFGL hadn't been asked to act urgently. If that had been the case I think the money would've been invested within a 14 day window. Hence I still think it's reasonable, and even if receipt of the statement was delayed, to say that IFGL should only be responsible for the failure to invest up to 30 November 2024. So my redress follows that set out in my provisional decision.

All in all my views remain as set out in my provisional decision. I've repeated what I said there above and it forms part of this decision.

Putting things right

My aim in awarding redress is to put the consumer, as far as possible, in the position they'd be in but for the business' mistake. To that end, IFGL should calculate redress due to Mrs B as follows:

- Any regular contributions which weren't fully invested on a 50/50 split between the Quilter and Vestra portfolios should be backdated to when they were received and ought reasonably to have been invested accordingly. I consider a reasonable time frame would be three working days.
- IFGL may make appropriate allowances in the calculation for any fees that would've been deducted. And interest earned in the SIPP bank account can be deducted.
- The single contributions of £743.03 and £34,595.52 should also be backdated on a similar basis – to the dates when they were received and on the basis that investment instructions would've been sought promptly and taking into account the actual time taken to provide such instructions (which I think were provided promptly) and allowing three working days for the investment to be made following receipt of the investment instructions.
- However, in view of what I've said above about Mrs B having a duty to mitigate, the end date of the loss calculation should be 30 November 2023. To bring the loss up to date, IFGL should add a return on the loss from 30 November 2023 up to the date of the calculation. The rate of return should be based on the performance of the Quilter and Vestra portfolios for that period.
- IFGL should provide details of its calculations to Mrs B in a clear and simple format.
- I've also considered the impact of what happened on Mrs B. I agree with the sum suggested by the investigator and the reasons he gave. IFGL must also pay Mrs B £200 compensation for the distress and inconvenience this matter has caused.

My final decision

I uphold the complaint. IFG Pensions Limited trading as IFGL Pensions must redress Mrs B as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 August 2025.

Lesley Stead
Ombudsman