

The complaint

Mrs C received advice from a representative of St. James's Place Wealth Management Plc ('SJP') in 2015, which resulted in her transferring existing pensions to a pension with SJP. She's complained about its failure to provide her with ongoing financial advice thereafter, which she says has led to lost investment growth.

What happened

Mr and Mrs C started meeting with 'Mr S', who worked for a business that was a representative of SJP, in January 2014 to discuss their general finances and retirement needs.

Although Mr and Mrs C dealt with the representative of SJP, I'll refer to SJP throughout for ease of reference.

SJP met with Mrs C (and Mr C) on several occasions and considered their financial circumstances and objectives. It noted that Mrs C had several existing personal pension plans and one small defined-benefit occupational pension. SJP recorded that Mrs C hadn't made any contributions to her pensions for a number of years. She wanted to consolidate her existing pensions and start making pension contributions that were affordable to her going forwards. SJP assessed Mrs C's attitude to risk as 'medium'.

In June 2015, SJP recommended that Mrs C transfer her personal pensions (totalling around £83,000) to a Retirement Plan with SJP for ease of administration and so as to benefit from SJP's management of her pension funds. SJP recommended that Mrs C should invest her monies in the Deferred Income Portfolio, which matched her medium attitude to risk. It was noted Mrs C would discuss what ongoing rate of contributions she could afford to make with her accountant. An illustration produced by SJP showed that the initial advice would cost Mrs C 4.5% of the value transferred and she would pay 0.25% of the fund value as an ongoing advice charge ('OAC'), which formed part of an overall management charge of 1.25%.

Mrs C accepted the advice and the Retirement Plan was opened in July 2015.

Mrs C completed an 'Investing with St. James Place' agreement on 20 July 2015, agreeing to pay for advice charges from her investments.

SJP provided Mrs C with further advice in April 2022 in respect of another pension she had opened in 2018, which had a value of around £500. She was advised to transfer this to her SJP Retirement Plan and invest it in the same portfolio.

In September 2022, Mr S tells us that he wrote to Mr and Mrs C to explain that he was stepping away from the business and the servicing of their pensions and investments had been transferred to another adviser I'll call 'Mr M', who was also a representative of SJP.

In December 2023, Mr S wrote to Mr and Mrs C following a catch up over the phone with Mr C. The letter said they'd discussed that the move to Mr M hadn't worked out and the

servicing of their pensions and investments was now back with Mr S. The letter also noted that Mr and Mrs C had agreed to meet in the new year for a review. Mr S acknowledged Mr C's concerns about the management of a property in his Self-Invested Personal Pension ('SIPP') and his desire to sell the property as a result.

Mr S explained that in the upcoming review he wanted to look at their investment options but noted that their annual return after fees in the last five years had almost been 6% which fit with the target for a medium-risk portfolio. Mr S noted however that Mr C was aiming for higher growth, and was open to increasing the risk for potential higher returns. He said Mr C could potentially reinvest the funds received following the sale of the property through a discretionary fund manager and take a higher risk approach.

Mr and Mrs C ultimately made a complaint to Mr S in February 2024. They understood he had moved away from SJP a few years ago and during that time they'd had no contact or ongoing advice/management of their pensions. They said in fact the investments they'd been advised to make had remained the same since the first advice they'd received. They felt that the returns made on their investments (around 4% per year before fees) were below expectations and market averages and that the fees they incurred were excessive compared with the performance, management and advice received. They believed SJP's lack of ongoing advice and management could have collectively cost them up to £500,000 in lost growth. Mr C thought this was particularly the case for himself, given he had a higher attitude to risk. They requested a refund of the OACs and compensation for lost investment growth as a result of the reviews not being carried out.

Mr C also made a complaint about the way a property investment had been managed by the SIPP provider recommended by SJP.

The adviser in question, Mr S, provided a response to this, explaining that while he'd told Mr and Mrs C he was stepping back from the business in September 2022 he'd explained that Mr and Mrs C had been transferred to another adviser (also a representative of SJP). Mr S said he'd provided Mr C with that adviser's details. Mr S commented that he believed his relationship with Mr and Mrs C had broken down; he'd tried to arrange a review and carry out a fund switch in 2021 for Mr C but Mr C had been engaging with a new firm of advisers at that time and was looking to move away from SJP. Mr S said that reviews had been carried out since 2015 but some, whilst offered, were either not taken up or cancelled.

Mr S also said that Mr C had experienced growth of 4.9% per year since inception after fees and Mrs C had experienced growth of 5.3% per year over the same period.

SJP wasn't able to provide a final response within eight weeks of the complaint having been made so Mr and Mrs C both referred their complaints to the Financial Ombudsman Service.

Whilst it hadn't provided a formal response to the complaint, SJP said it didn't think we could consider the reviews prior to February 2018. This was because any concerns Mrs C raised about the lack of reviews before this time were made too late under the Regulator's Dispute Resolution ('DISP') rules.

Our Investigator ultimately accepted that the complaint about the reviews prior to February 2018 had been made too late and couldn't be considered.

The Investigator believed that the advice Mrs C received in 2015 was suitable for a medium-risk investor and she wasn't persuaded that any review after this date would've resulted in a change to Mrs C's risk profile, leading to a fund switch taking place. However, she hadn't seen evidence to persuade her that annual reviews had been carried out in line with the service agreement since February 2018. The Investigator noted that SJP said it had difficulty

arranging reviews with Mrs C, but if that had been the case it ought to have switched off the OAC going forwards. She recommended that SJP should carry out a loss assessment on the Retirement Plan based on the OACs having not been taken since 2018 and that it should pay Mrs C £250 for the distress and inconvenience caused.

SJP didn't agree. It said Mrs C had received reviews in 2019, 2020, 2022 and 2023, though it acknowledged there wasn't any evidence to show reviews had been carried out in 2018 and 2021. SJP thought that £150 was a fair sum to compensate Mrs C for the missed reviews.

After reviewing the evidence, the Investigator accepted that a review had been carried out in 2019 and 2022, but maintained that the advice charges should be refunded in the manner specified in her earlier view for 2018, 2020, 2021 and 2023. She also maintained that £250 was fair compensation in the circumstances.

SJP appears to have accepted this and wrote to Mrs C outlining its offer, which amounted to £1,268.80 (including interest less tax) plus £250 for the distress and inconvenience caused. However, it later acknowledged this had been sent in error as it hadn't received confirmation that Mrs C accepted the Investigator's view.

Mrs C ultimately didn't accept the Investigator's view, saying that SJP had misrepresented the number of reviews actually carried out. Particularly as some of the instances mentioned by SJP had only been attended by Mr C. She also didn't think that reviews prior to February 2018 should be time-barred given that, as members of the public, they wouldn't be aware of what constituted a review. They believed that SJP was actively managing their pensions based on market changes as well as discussions.

The Investigator wasn't persuaded to change their view so the complaint was referred to me to make a decision.

I issued a provisional decision on 3 July 2025, upholding the complaint in part. I explained that the complaint about the reviews prior to February 2018 were time-barred. While I agreed with the Investigator's view in general, I explained that I thought SJP had only provided a review of Mrs C's Retirement Plan in 2022. So, I thought SJP should refund the OACs paid in each year since 2018 except for those charged for the review that took place in 2022. I also maintained that £250 was fair compensation for the distress and inconvenience caused.

SJP accepted my provisional decision. Mrs C didn't accept it and made the following points:

- While she accepted the points made in respect of jurisdiction, she noted that SJP still benefitted from the fees charged in those years and as such, the £250 compensation recommended did not adequately compensate her for the lack of service provided.
- Mrs C thought that the compensation amount should reflect the size of the loss she incurred.
- She doesn't believe that a true review took place in 2022; she asked whether any fact-find had been completed as she and Mr C experienced a massive change in their financial circumstances. Mrs C explained that Mr C sold his company, meaning they received a large cash sum and paid off their mortgage. Had this been known SJP would've understood she was able to take more risk with her pension funds.
- Mrs C added that SJP should be told that OACs should also not be charged for 2024/2025.
- Lastly, Mrs C believed that interest should be awarded on the fees to be refunded, as well as the loss to her pension had the fees not been deducted.

What I've decided – and why

Jurisdiction

In my provisional decision, I explained that I couldn't consider the complaint about the OACs Mrs C paid for reviews due between July 2015 and February 2018 due to the time limits set out in the Financial Conduct Authority's DISP rules. Mrs C accepted my explanation. As such, I don't intend to address this point further, other than to confirm that I maintain I can only consider the complaint about the OACs paid for reviews from February 2018 onwards under DISP 2.8.2R.

The merits of the complaint

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, I still think this complaint should be upheld in part as per my provisional decision. So, I've largely repeated my provisional findings below. However, as Mrs C has made some additional points I'll address these where appropriate.

There is a broad consensus between SJP and Mrs C that a number of reviews that Mrs C paid for were not carried out by SJP and that Mrs C is due compensation as a result. So, I don't intend to look at each review due since February 2018; instead, I'm focusing on the reviews that the parties are in disagreement about whether or not they took place.

For clarity, I think that SJP and Mrs C both agree that reviews were not carried out in 2018, 2020 and 2021. Mrs C doesn't think a review was carried out on her pension in 2019, 2022 or 2023 but SJP believes reviews were carried out in those years and has provided evidence to demonstrate this. Mrs C has also recently asked for clarity that the OACs for 2024/2025 will not be applied.

Following my review of the evidence provided, I think the only time where a review was carried out specific to Mrs C's pension arrangement was in 2022. I think the review was most likely prompted by Mrs C making contact with SJP about transferring a small pension she'd taken out in 2018. But I'm satisfied that in making the recommendation to transfer this pension to the SJP Retirement Plan in April 2022, SJP reconsidered Mrs C's circumstances and attitude to risk and remained satisfied that the Deferred Income Portfolio was a suitable investment for her pension. So, I think this satisfied the terms of the review that Mrs C was due in 2022.

Mrs C disputes this, saying that she doesn't believe her circumstances or risk-appetite were considered at the time given her change in financial circumstances. She doesn't think that the letter issued by SJP is sufficient evidence of a review having taken place.

I've considered this carefully, but on balance, I think the suitability letter dated 13 April 2022 does evidence that Mrs C's circumstances and attitude to risk were considered at the time of the advice. The letter noted that there had been a change in her employment circumstances and she wasn't currently employed. It also said that Mrs C's attitude to risk and capacity for loss hadn't changed since the plan was taken out, which was why SJP recommended the transferred funds should be invested in the Deferred Income Portfolio. If any of this information wasn't correct I would've expected Mrs C to query this at the time but I note that she didn't. As such, I think it's reasonable to assume that Mrs C accepted SJP's appraisal of her circumstances and attitude to risk at this time. So, I still think it is fair to say that a review was carried out in 2022.

As per my provisional decision, I don't think that Mrs C received a review of her pension in 2019 or 2023. I say this because I don't think that Mrs C's individual circumstances and objectives were reviewed at this time; instead, the focus of the events in 2019 and 2023 were Mr C's needs and pension arrangements. Both SJP and Mrs C have accepted this, so I don't intend to address this further.

In summary, based on the evidence I've seen, I think that Mrs C only received the reviews she had paid for in 2022. And I haven't seen evidence to persuade me that SJP made an offer to carry out the reviews to Mrs C in the other years and that she declined them. As such, I think it is reasonable for SJP to compensate her for the reviews she paid for but didn't receive after February 2018.

Mrs C has asked for clarity that the OACs payable for 2024/2025 will also be refunded. In my provisional decision, I said that the OACs should be refunded since 2018 to date. I then later specified that SJP should out a loss assessment by comparing the actual value of Mrs C's Retirement Plan with the value it would have been if OACs hadn't been deducted for the reviews due in 2018, 2019, 2020, 2021, 2023 and 2024 as at the date of my final decision. I didn't specify that OACs deducted in 2025 should be refunded as I believed the OACs would have been switched off following the complaint being made in 2024.

In Mr C's complaint, SJP provided a review letter from December 2024, addressed to Mr and Mrs C, which it said evidenced that a review had gone ahead in 2024. But I've reviewed the letter and I think the letter actually confirms that a review of the pensions hadn't taken place. That's because Mr & Mrs C no longer wanted that service given the complaint they'd raised and their desire to move away from SJP. The letter says:

"As part of the review I would usually look at areas such as your attitude towards risk, capacity for loss, fund performance and selection, plus the suitability of existing arrangements. I would also update my records to reflect your current situation, however in the circumstances you did not wish to do this as you will be transferring your SIPP and Retirement Account (RA) away imminently."

Although the letter refers more to Mr C, I think it's fair to assume the content also applied to Mrs C and there's nothing else within the letter to suggest that Mrs C's arrangements had been reviewed. In my view, the OACs ought to have already been switched off following the complaint.

So, for the avoidance of doubt, SJP should ensure that the OACs are no longer charged going forwards and that the OACs charged since 2018 to the date of my final decision should be refunded (except for those charged in 2022).

Mrs C also says that interest of 8% should be paid on the OACs to be refunded, but that wouldn't be reasonable in the circumstances as it would compensate Mrs C twice for the same loss. The OACs were deducted directly from Mrs C's investment not her bank account, so fair compensation in these circumstances is to carry out a loss assessment on the pension investment if the OACs hadn't been charged. This will most likely demonstrate lost investment growth because the value of Mrs C's investment would've been lower following the charges being taken.

Fair compensation

Mrs C says that the failure of SJP to review her pension investments means that a refund of OACs isn't sufficient, and instead she should be compensated for lost investment growth because she's remained invested in the same fund since the original advice. But I don't think

there's been any suggestion from Mrs C that the initial advice she received was unsuitable, or that there was a change in her circumstances and/or attitude to risk that means the Deferred Income Portfolio was no longer suitable for her.

In 2022, SJP carried out an assessment of Mrs C's circumstances and attitude to risk and concluded that the Deferred Income Portfolio remained suitable for her needs. This portfolio was suitable for an investor with a medium attitude to risk – Mrs C accepted this at the time and I haven't seen anything to persuade me that this assessment was incorrect. As such, I don't think it is likely that a review carried out prior to 2022 would've resulted in a different assessment or recommendation.

I appreciate that remaining invested in the same portfolio over the duration of Mrs C's relationship with SJP may appear concerning. But it should be understood that the assets held within the Deferred Income Portfolio would've been adjusted and rebalanced over time based on the mandate of the investment manager. I also accept that other SJP portfolios that also had a risk rating of 'medium' may have performed better over the same period. But that doesn't mean that remaining invested in the Deferred Income Portfolio was unsuitable for Mrs C. My consideration of this is limited to whether the specific portfolio Mrs C's pension was invested in was suitable for her needs as a medium risk investor, and I'm satisfied that it was.

In light of this, I think that fair compensation in this complaint is for Mrs C's Retirement Plan to be restored to the position it would've been in if, after February 2018, the OACs were not taken from it, except for the year in which the 2022 review was carried out.

I also think that SJP should pay Mrs C £250 for the distress and inconvenience caused as a result of the lack of reviews. I think that this would've caused Mrs C concern that her pension hadn't been adequately managed during this time, and it has evidently led her to believe that her retirement provisions may now be lower as a result.

I've considered Mrs C's point that the compensation isn't high enough because it doesn't reflect the loss she has suffered. But Mrs C will be compensated for the lost investment growth and her pension will be restored to the position it would've been in had she not paid OACs over the years I've specified. The compensation I have awarded in addition to this is to reflect the actual distress and inconvenience caused to her by the failure to provide the reviews – it isn't awarded to punish SJP for failings or mirror the size of any loss. I maintain satisfied that £250 is a fair award in the circumstances.

Putting things right

My aim is to put Mrs C as close as possible to the position she would probably now be in if she hadn't paid OACs from the investments held in her SJP Retirement Plan since 2018 to date. However, it would be fair and reasonable to exclude the OAC which covered the review she had in 2022 from the calculation below as I'm satisfied that Mrs C received the service she paid for during that year.

SJP should:

- Carry out a loss assessment by comparing the actual value of Mrs C's Retirement Plan with the value it would have been (the fair value) if OACs hadn't been deducted for the reviews due in 2018, 2019, 2020, 2021, 2023, 2024 and 2025 as at the date of my final decision.
- If the fair value is greater than the actual value Mrs C has experienced a loss and this is the compensation amount.

- The compensation amount should be paid into Mrs C's pension plan if possible. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.
- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mrs C as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mrs C has a remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to her likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.
- Provide the details of the calculation to Mrs C in a clear, simple format.
- Pay Mrs C £250 for the distress and inconvenience caused by the failure to provide the reviews.

Interest

The compensation resulting from this loss assessment must be paid to Mrs C or into her Retirement Plan within 28 days of the date SJP receives notification of Mrs C's acceptance of my final decision. Interest must be added to the compensation amount at the rate of 8% per year simple from the date of my final decision to the date of settlement if the compensation isn't paid within 28 days of SJP being notified of Mrs C's acceptance of my final decision.

My final decision

For the reasons set out above, I'm upholding Mrs C's complaint against St. James's Place Wealth Management Plc and I require it to pay compensation as set out above.

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

Hannah Wise
Ombudsman