DRN-5741142

The complaint

Mrs S engaged the services of 2 Plan Wealth Management Limited ('2 Plan') on 12 September 2023. She says she wanted advice on investing in her Individual Savings Account ('ISA') and in her General Investment Account ('GIA'). 2 Plan says she also wanted advice on her existing pension. All three were held with Novia. Earlier she had engaged another firm, her adviser of over 10 years, to advise on the same ISA and GIA, and on her pension. She says she wanted to compare the recommendations from both firms.

In the main, she claims – 2 Plan delayed in progressing its advice until March 2024, whereas her adviser's recommendation was issued within a few weeks; 2 Plan's delay caused her a loss of investment opportunity, for which she seeks redress; 2 Plan's terms were unclear and she was unduly pressured to agree them; its advice was never issued and it would have been unsuitable; so, she disputes its fee and considers it should be waived.

What happened

A chronology of the key events is as follows:

- On 12 September 2023 Mrs S met with 2 Plan and signed its terms of business, including documentation that confirmed she had engaged its financial planning advice service, that the initial consultation was free and that a fixed charge of £6,000 applied to the advice. 2 Plan says it requested pension and ISA information from Novia on 18 September 2023. It also says that the period between 19 September 2023 and 24 January 2024 was –

  "*Time spent waiting on provider to supply plan information and additional information which was requested on several different occasions. Faced various problems from request not being picked up, not receiving emails not receiving the post having to wait for these to be resent, resent information being wrong, information still not being fully clear*."

  and that it finally received the required information from Novia on 5 February 2024.

- Both sides had a telephone conversation on 14 February 2024, in which 2 Plan informed Mrs S that it had received everything required for its advice, that it would start working on the advice and that she would be invited for a meeting when the advice was ready. She confirmed she was happy with this arrangement.

- 2 Plan says research for the advice was completed on 4 March 2024 and its investment advice letter was completed on 17 March 2024 (as it is dated). The letter and associated Investment Report share this same date. It says it went as far as drafting a pension switch report (dated 4 March 2024) and was about to put together a pension advice letter when it learnt Mrs S no longer wanted its advice, so it did not proceed with that.

- Mrs S says she proceeded with her adviser's recommendation on 13 March 2024 as she could no longer wait for 2 Plan. She explains that the adviser had issued its

recommendation six weeks after her request on 1 September 2023, they met to review the advice in December 2023, but she took no action in order to compare it with 2 Plan's.

- Both sides had another telephone conversation on 18 March 2024, in which 2 Plan sought to arrange the advice meeting for her ISA. In response, Mrs S disclosed that she had proceeded with another firm, for all her needs, because she had heard nothing directly from the 2 Plan adviser and thought he had forgotten about her.

- On 21 March 2024 Mrs S made a General Data Protection Regulation ('GDPR') request for a copy of her file with 2 Plan. She says following receipt of this information she became aware of details about 2 Plan's fact-finding, advice assessment and the advice it intended to give her. She complained on 17 May 2024.

- She mainly said – due to the approaching tax year end she implemented her adviser's recommendation a month before that; so she no longer needed 2 Plan's advice, but it remains responsible for the loss of investment opportunity caused by its delay; she was unaware a charge applied even if she did not take up its recommendation, had she known that she would never have engaged its services; it was obliged, under the Consumer Duty ('CD'), to deliver a value for money outcome; the £6,000 fee it is pursuing fails to meet this requirement; it did not perform, and could not have performed, work to that value, no advice was provided and the advice it planned to give would have been unfit for purpose.

- 2 Plan issued its response on 12 July 2024, rejecting the complaint. In its latter parts the response addressed aspects of Mrs S' allegation of unsuitability in the advice it intended to give. 2 Plan asserted that it was ready to issue its advice in March 2024 and would have done so, but for her disengagement at the time. In its earlier parts, the response mainly said –

    - Upon its initial meeting with Mrs S, she signed the client agreement and two letters authorising it to contact Novia with regards to her ISA and pension accounts. It also completed a risk profile questionnaire for her and a fact find. Its records show that she wanted a review to address her unhappiness with Novia's services and wanted to consider the chances of a reduction in costs.
    - In its email of 21 March 2024 it detailed how the cost of its work, on an hourly fee basis, amounted to around £10,500 (comprising 23 hours of adviser/director work and over eight hours of administrative work), so the £6,000 fixed charge is around £4,500 less than the work's total hourly cost; and how on a tiered percentage basis (3% for the value of her combined assets up to £250,000 and 2% for the remainder value of around £160,000) the charge would have been a total of around £10,700, which is around £4,700 more than the fixed charge it applied.
    - Its terms made it clear that the fixed charge would apply to its advice work.
    - The delay she cites was Novia's delay, including its errors in providing information required for its advice. Information from Novia suggests implementation work (on her adviser's recommendation) began before its 14 February call, yet she did not disclose this during the call.

Mrs S referred the complaint to us. One of our investigators looked into it and concluded it should not be upheld.

In summary, he said – it is unfair to hold 2 Plan responsible for a delay that appears to have been mainly caused by Novia; 2 Plan could have done more to communicate with Mrs S and

keep her updated, but it has reflected this appropriately in the £1,200 discount it has offered her (reducing the fixed charge from £6,000 to £4,800); she could also have been transparent to 2 Plan about the steps she was taking with her adviser, she had opportunities to do this up to the 14 February telephone conversation; the £6,000 fixed charge was agreed in the terms she signed; ordinarily and on a percentage basis, the charge could have been much more; had Mrs S been transparent about the alternative steps she was taking some or all of 2 Plan's work (and some or all of the charge) might have been avoided; and no advice from 2 Plan was undertaken, so there is no claim for unsuitable advice to consider.

Mrs S disagreed with this outcome and asked for an Ombudsman's decision. In addition to her previous arguments, she said – she agreed the terms without a cooling off period; she doubts the agreement is legally enforceable; she does not consider it meets the regulatory requirement to treat customers fairly; 2 Plan's works and charges calculations are dubious; and it caused the delay because it went beyond the investment advice she asked for, by unnecessarily looking into pension and platform suitability.

The matter was referred to an Ombudsman.

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, I have reached the same conclusion presented by the investigator. I do not uphold Mrs S' complaint.

Delay in 2 Plan's advice

I am not persuaded by Mrs S' claim about 2 Plan causing a delay that directly impacted her investment opportunities.

She had a longstanding existing adviser. In her submissions to 2 Plan and to us, she repeatedly refers to that relationship having been good and to her confidence in the adviser. By her admission, her engagement of 2 Plan was to get a second opinion and to compare its advice with that of her adviser. Nevertheless, and based on her submissions, she still appears to have intended to give advice from her adviser primary consideration.

She appointed him on 1 September, almost two weeks before she appointed 2 Plan. As she has said, his advice was delivered around six weeks thereafter, then she met him again in December to review the advice. There is no evidence that she shared any of this with 2 Plan at the time. Then she chose to take no action whilst awaiting 2 Plan's advice. She received an update in that respect on 14 February. Again, there is no evidence that she informed 2 Plan at this point about the alternative steps she had been taking with her adviser.

In terms of when she implemented her adviser's recommendation, part of her submissions says this happened a month before tax year end – so a month before 5 April 2024 – and another part says 13 March 2024. In either case, there is no evidence that she gave notice to 2 Plan, on or before 13 March, that she had proceeded with an alternative elsewhere. I consider it would have been *reasonable* to do so, especially in the context of mitigation, which I address below. Plus, the point to note is that she did not feel obliged to.

These facts illustrate that Mrs S retained full control of her investment decisions and actions at all relevant times, from appointing both firms for broadly the same purpose, placing herself

in a position to compare and select from their advice at her discretion and then proceeding with one without feeling the need to inform the other.

In terms of purpose, I have noted her argument that she asked 2 Plan for investment advice only, not for the pension and platform reviews it conducted. I am not persuaded by the argument, and I deal with it further below in my consideration of her concern about value for money. In any case, I do not consider it makes a *positive* difference to her complaint about the delay.

She appointed, separately, two advisers because she wanted to compare their recommendations. Her argument suggests she had limited reasons to await 2 Plan's advice, if it was to have a narrower scope than the advice she already had from her adviser. It also poses questions as to why she did not take some action after her adviser's advice, on any aspect it addressed that she did not expect 2 Plan to address; and why, given the delay, she did not abandon the idea of comparing and proceed, in December 2023, with the advice she had already received and reviewed (with the adviser) – which is exactly what she eventually did in 2024. I consider the answer to both questions rests in the fact that Mrs S *chose* to wait for 2 Plan's advice despite the delay. So, the delay was arguably something she wilfully subjected her investment plans, decisions and action to, until she decided otherwise.

I agree with the investigator's view that 2 Plan could have done more to keep Mrs S updated, but I find this inconsequential to her investment plans. She was not obliged to chase for those updates but that is what she would have probably done if there was urgency in her plans or if they were time sensitive. The facts suggest neither was the case. She did not chase for updates, she gave no notice to 2 Plan about urgency or time sensitivity connected to her plans, and even when she received the 14 February update she conveyed no such message. Instead, she said she was happy with the arrangement outlined to her (that 2 Plan would contact her to arrange a meeting when its advice was ready).

To sum up the above findings – Mrs S exercised free will in the matter; she was in a position to progress, with advice, her plans when she received her adviser's recommendation in October (six weeks after her 1 September request); then again in December after reviewing it with the adviser; she chose not to, until she decided otherwise.

Available evidence suggests the delay in 2 Plan's advice process stemmed from problems in its pursuit of information from Novia. It says Novia caused those problems. I do not have reason to dispute this, but I also have not heard from Novia on the matter, or seen all the details of what happened between the two firms. So I am not quite in a position to determine who was at fault for the delay. Nevertheless, I find, on balance and for the reasons given above, that the delay was not binding on Mrs S' investment plans, decisions and action.

For all the above reasons, I do not uphold her claim about the delay or her associated claim for compensation.

Terms of engagement, advice fee and work performed

The part of the agreement containing the fee terms is two pages long, with client consent, fee terms and service terms sections on one page, and general fee paying terms, communication terms and signature sections on the other. It is undersigned by Mrs S and 2 Plan (both dated 12 September 2023), and it included confirmation that the client consent covered "*Investment, Savings and Retirement Planning*".

I am not persuaded that its provisions would have been difficult for Mrs S to understand. The fee terms section is clearly set out under headings for the four key steps in 2 Plan's process (consultation, advice, implementation and ongoing service) and the £6,000 fixed charge is

boldly and clearly handwritten under the advice step. It is arguably unmissable. I consider that she would have seen it and that she would have understood it was the cost of 2 Plan's advice. In smaller print, but nevertheless noticeable, the following statement leads the section – "*Payment by Adviser Charge: The following confirms the agreed fees for each step of the 2plan wealth management Financial Advice Process*".

Our service is not a court of law. The task before me is to determine Mrs S' complaint, not to determine a legal claim from 2 Plan seeking to enforce the agreement. It is outside my remit to address her argument about the agreement being legally unenforceable. My scope is to address her claim about the delay in 2 Plan's advice, her claim that it caused her a loss of opportunity, and her claim that she should not have to pay the fixed charge (or any charge).

On balance, I have found no grounds to say she should not have to pay the fixed charge (or the reduced charge offered by 2 Plan). As I established above, evidence shows that she was aware of, probably understood and agreed to pay the fixed charge for 2 Plan's advice.

I understand the arguments she has made about receiving no advice from 2 Plan in the end, and about the advice it intended to give being unsuitable. I deal with suitability separately below. With regards to her not receiving the advice, I consider the argument somewhat misguided, because the charge relates to 2 Plan's work in providing advice. There is nothing in the terms that says she was obliged to take its advice. The client consent section acknowledged she was under no such obligation. However, work still had to be done to produce that advice, and that is what the charge was/is for.

I have seen evidence of that work. 2 Plan's investment advice letter is 7 pages long and the connected Investment Report is a detailed document with 20 pages. Its Pension Switch Report is even more detailed, with 35 pages. There is also a 27 page fact find document. All these documents have meaningful contents in aid of discharging the advice 2 Plan was working on giving. Furthermore, behind them was background work – such as factfinding for the fact find document, research for the reports, and suitability considerations and assessments for the advice letter.

The above had been done by the time 2 Plan learnt, on 18 March, that Mrs S no longer needed its advice. As I noted above, she did not previously inform it about her alternative actions and, up to the February telephone call, she gave it the impression that she was still engaged to receive its advice. Therefore, it was not unreasonable for it to continue working on the advice up to the notice on 18 March.

2 Plan sought/seeks payment for advice work agreed with Mrs S and advice work that it has performed and evidenced. On these grounds, I do not find merit in her claim that she should not have to pay the advice charge. The fact that she eventually did not need or receive the advice is irrelevant, that outcome was her choice. Documentation for 2 Plan's advice work was ready to be issued to her, but she neither wanted or needed it (until she pursued the GDPR disclosure) and as I said earlier the payment is for the advice work performed.

Mitigation

The opportunities that were available to Mrs S to mitigate her fee payment responsibility towards 2 Plan are self-evident, as is the fact that she elected not to use those opportunities.

I do not know the terms agreed between her and her existing adviser in 2023, but those agreed with 2 Plan made her responsible for the £6,000 fixed charge in return for 2 Plan's advice work. If another charge for advice was agreed with her adviser, that meant she had undertaken responsibility for two fee payments for advice from two firms on broadly the same (or similar) matter. She was entitled to do that if she wished, but she also had

opportunities to reconsider and mitigate her engagement with 2 Plan in light of the fact that her existing adviser issued his advice early and first.

Between October and December, when she received her adviser's recommendation and then met to review it, she could have reconsidered whether (or not) to take 2 Plan's advice. Had she decided not to and had she cancelled its engagement, by December, 2 Plan would probably have had little or no meaningful work to refer to as justification for the fixed charge. It does not appear to have begun work, in earnest, until around February 2024.

She decided she still wanted 2 Plan's advice. However, she could have informed 2 Plan that she had received alternative advice and had held a meeting to review it. It could have taken a view on whether (or not) to proceed with its work, if it considered that she was likely to use the advice she had already received. If it decided not to, this too could have meant a conclusion with little or no meaningful work to justify its fixed charge.

The opportunity to inform 2 Plan continued from December and up to the 14 February telephone conversation. Mrs S could have done so at any time during that period. In the conversation, she was told 2 Plan had received all the required information and would be working on the advice "*in the next few weeks*". This ought to have indicated to her that work was about to begin. If she did not wish to be responsible for the charge associated with that work the telephone call was a good opportunity to say so. Or, at least, to put 2 Plan on notice about the alternative steps she had taken, which, as I said above, could have led it to reconsider whether (or not) to proceed with its work.

None of these opportunities were taken by Mrs S. Instead, her actions (or inaction) implicitly and then, in the telephone conversation of 14 February, expressly consented to 2 Plan continuing to perform its advice work.

On balance, I consider that the above findings add grounds against her claim that she should not have to pay the advice charge. They also show why her argument about a cooling off period is somewhat redundant. The reality is that she had around five months between 12 September and 14 February to call off 2 Plan's appointment, but she chose not to do so.

Suitability and value

As the investigator said, no advice was issued and implemented between 2 Plan and Mrs S, so there is no need to consider any claim or argument about unsuitable advice from 2 Plan. For this reason, I make no findings on the suitability of its advice.

Mrs S has referred to the CD and to her belief that value for money is absent from the work 2 Plan performed and/or from the charge it has applied. In this context, there is cause to consider the *substance* – distinct from suitability – of its advisory work and the reasonableness of its charge for that work.

I have already summarised, above, the work performed by 2 Plan. On balance, I am satisfied that it completed a level of work that had substance and meaning, with inherent value (in its substance). This does not mean Mrs S could not have declined it or considered it to be unsuitable. She could have done either if the advice was ever issued, but the point is that substantive work was completed for her on the basis of her agreement for such work to be completed.

2 Plan's tiered advice charge rates were – 3% for portfolio values between zero and £250,000, 2% for values between £250,000 and £500,000, and 1% for values above £500,000 (up to a maximum charge of £25,000).

Its Investment Report and investment advice letter show work on advice for the investment of £40,000 new capital in the ISA (half to be used in the 2023/24 tax year and the other half in the 2024/25 tax year) and the investment of around £69,500 in the GIA. The ISA's pre-existing value was around £101,500. If, as Mrs S claims, 2 Plan was to advise only on the ISA and GIA the total value under advice would have been around £211,000. The 3% charge rate would have applied, and the advice charge would have been around £6,300. This charge is slightly higher than the £6,000 fixed charge she agreed, and it is much higher than the reduced £4,800 charge that 2 Plan has offered.

I do not consider that the parties agreed to limit 2 Plan's work to the ISA and GIA only. On balance, I am persuaded that it was appointed to advice on those accounts and the pension. As I said above, Mrs S' consent covered investments and *retirement planning* (which includes pensions), and 2 Plan appears to have conducted more work in its pension switch report than in its investment report. It is unlikely that it would have done that, or done any pension advice work at all, if it had not been instructed to do so. That work also involved information about Mrs S' pension from Novia, like its valuation obtained on 5 February 2024, for which her consent was required and, as I understand, given. Such consent would not have been required and given if advice on the pension was not part of the work the parties had agreed on.

The pension's value was almost £198,000, so Mrs S' entire portfolio had a total value of around £409,000. The 3% charge rate would have applied to £250,000, and the resulting charge would have been £7,500. The 2% charge rate would have applied to the remaining £159,000 and the resulting charge would have been £3,180. The total charge would have been £10,680, which is substantially higher than both the £6,000 and £4,800 charges. In the context of what 2 Plan would ordinarily have charged Mrs S, the £6,000 charge for the ISA, GIA and pension advice work amounted to a substantial reduction, and it has offered an additional reduction to £4,800 (less than half of what it would ordinarily have charged her).

Initial advice charge rates between 2% and 3% were quite common in 2023, as were tiered structures (based on different portfolio values) for such rates. Both remain quite common to date. Therefore, I have not found 2 Plan's regular charges to have been an outlier in the wider market at the time.

In Mrs S' case, the regular charge rates did not apply. Instead, a substantially reduced fixed charge was applied. The £6,000 charge amounts to a rate of 1.5% (rounded up) of her total portfolio value – and the reduced charge offer of £4,800 amounts to a rate of 1.2% (rounded up). At these rates, both charges are at the lower end of the range of initial advice charges in the market, as of 2023 and to date. If the ISA and GIA are to be isolated, for the sake of argument, the first charge amounts to a rate of 2.8% and the second amounts to a rate of 2.3% (rounded up), so neither is outside the common 2% to 3% range I mentioned above.

Overall, I'm not persuaded that 2 Plan acted unfairly – either in relation to the charges it applied or the substance of the work it performed in return.

My final decision

My decision is that Mrs S' complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 October 2025.

Roy Kuku
Ombudsman