

The complaint

Mr T has complained about the services he has received from KW Wealth Planning Limited trading as Kingswood ("Kingswood") since he transferred to it in 2019. He has said that Kingswood failed to provide the annual reviews that he has been charged for, upon migration to a new investment servicing system it appears he has lost some cash value of his investment and that he isn't bound by the initial terms of the business agreement he signed in 2019. He's also said the overall service from Kingswood has been poor with many of his queries being left unanswered.

What happened

In 2019 Mr T appointed a firm I will refer to as Firm L as his pension adviser, and transferred his investments held with a different provider. Firm L advised Mr T to invest in a Collective Retirement Account ("the plan") with Old Mutual using Firm L's Discretionary Premier Investment Monitoring Service (D-PIMS). This provided Mr T with the following services at an additional cost:

- A diverse multi asset portfolio.
- Discretionary management where Mr T could authorise changes as and when he required without the need to sign paperwork each time.
- Ongoing monitoring and active review as and when required by investment conditions and/or fund management.
- Email updates when investment changes are made.
- Quarterly valuations.
- Investment market commentaries.

It was agreed at the time that the fee for the advice and the transfer would be capped at 1%.

Around June 2021 Old Mutual became Quilter. And in February 2022 Firm L was bought by Kingswood – I will refer to both firms interchangeably depending on which time frame I am commenting on.

Due to the change in the principal firm in April 2023 Kingswood informed Mr T by email message that his funds held under the D-PIMS service would be transferred to its IBOSS system which allowed Kingswood to apply a consistent approach to all its clients. As a result of this Mr T's portfolio was renamed IBOSS Core Portfolio. There was no change to the risk profile of his investments but there was an adjustment of fees – the adviser fees were reduced by 0.2%.

Mr T has told us that after the transfer had taken place, he was unable to balance the sales and purchases which happened as a result of the transfer and so queried this with Firm L staff. He didn't receive any response to his queries and so raised a formal complaint on 26 May 2023. And while his adviser acknowledged the complaint Mr T didn't receive anything further.

In an attempt to resolve matters Mr T logged onto Quilter's IT platform to get additional information on the recent sales and purchases but wasn't able to access the website. Mr T says he contacted his adviser again about this but again had no response.

On 3 April 2024 Mr T was contacted by a different adviser from Kingswood and informed he would be his adviser going forward. Upon meeting the new adviser Mr T explained the problems he had experienced over the last couple of years. He also explained that he wanted to negotiate a new adviser fee in light of his experiences in the past for the services that he felt he was and wasn't receiving. The new adviser formalised the complaint and Mr T's complaints points are summarised as follows:

- Lack of clarity around the charging structure for the platform fees to Quilter.
- He believes there is no legal agreement or contractual basis that requires him to pay Kingswood's ongoing fees.
- He was expecting Kingswood to manage his investment in a more proactive way especially around the time of the COVID-19 pandemic and outbreak of the Ukraine war. But he saw no evidence of this. In his view both these events warranted action rather than waiting to see what happened.
- He has never received any email updates when switches were made contrary to what the D-PIMS agreement states.
- He has never received any important market updates – the only thing he received regularly were retrospective reviews of the markets and other economic factors – entirely focused on historical events rather than looking forward.
- Overall service from Kingswood has been poor – his initial complaint not being responded to and he hadn't received satisfactory responses from Kingswood and it had failed to resolve the problems.
- Account discrepancies - there is no consistency of information about his account and he is concerned that he has lost an amount of cash during the transfer from D-PIMS to IBOSS.
- He has only ever had one annual review despite paying regular on going advice charges for this service.

When Kingswood investigated the complaint, it accepted that it hadn't carried out the reviews for the years 2021 and 2023 and so agreed to refund the charges Mr T had paid for them. In terms of the review for 2020, it was satisfied that it had contacted Mr T at the start of 2020 and invited him for a review but as he didn't reply it felt that it was still entitled to retain the charge for the review. In terms of the rest of Mr T's complaint points, it didn't uphold any of them. But in recognition of the poor service Mr T had received it offered to pay him £100.

Mr T didn't accept the investigation and so referred the complaint to this Service where it was assessed by one of our investigators. He agreed with Kingswood that the annual reviews for the years 2021 and 2023 had not taken place and so Kingswood should refund the charges Mr T had paid for these. He also agreed that Mr T wasn't entitled to a refund of the charge for the review for 2020 even though the review wasn't carried out. He didn't uphold the rest of Mr T's complaint points but was satisfied with the £100 Kingswood had offered Mr T in recognition of the poor service he had received.

However, Mr T didn't agree with the investigator's outcome. But before the complaint was readied for a final decision a second investigator reviewed the complaint and came to a slightly different conclusion to that of the first investigator. She agreed that the reviews for 2021 and 2023 hadn't taken place and that Kingswood should refund those charges as it had offered in its final response letter. However, in terms of the review that should have taken place in 2020, she was of the view that Kingswood should have set the review for later

in the year, more around the first anniversary of the plan's inception. She also felt Kingswood hadn't done enough to contact Mr T when it had initially invited him for a review so Kingswood should also refund Mr T for the charges it had taken for the 2020 review. The investigator also responded in detail to Mr T's complaint points but didn't feel she could uphold any of them apart from the issue of the missed reviews.

Mr T remained unhappy with the outcome and so as no agreement could be reached the complaint has been passed to me for a final decision.

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 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.

Where the evidence is incomplete or inconclusive (as some of it is here) 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.

In bringing this complaint, responding to our investigator's assessment of it Mr T has made many detailed points. I've considered everything he's said, however, our rules don't require me to address or respond to each and every point raised. We're an alternative to the court not a substitute for it. As such my role is to decide how a complaint should be resolved with minimal formality. And I aim to present my conclusions in as clear and as concise a manner as I can. In doing so I focus on the key issues and the reasons that are crucial to my decision making. So, if there's something I haven't mentioned, it isn't because I've ignored it. It's because I'm satisfied I don't need to comment on it to be able to reach what I think is a fair and reasonable outcome in the circumstances of this complaint.

I have dealt with Mr T's complaint points individually and have grouped some together where appropriate.

Platform fees

The suitability letter dated 18 July 2019 set out that the annual platform charge for Quilter (Old Mutual back then) would be 0.25%. However Old Mutual's documentation dated 12 August 2019 showed that the charge was calculated on a tiered basis. Whilst there is a difference in the information provided the most up to date documentation that Mr T would have seen before agreeing to accept the advice and start his relationship with then Firm L confirmed that the charging structure was on a tiered basis. The suitability letter dated 19 August 2019 also referred to this. So whilst I agree this could have caused confusion, I think Mr T was made aware of the charging structure and it was his responsibility to take note of it at the time. I think he could have raised any concerns he had about this with his adviser at the time or at least could have clarified which charging structure applied had he been confused at the time. But the evidence tells me he didn't do this.

Fees for IBOSS/Kingswood

Mr T feels that whilst he was bound by the D-PIMS agreement he signed with Firm L in 2019 once this was replaced by the IBOSS service in 2023 he ceased to be bound by the agreement and therefore should be able to negotiate what fees he pays for the service Kingswood should be providing.

However, I don't agree.

The 2019 agreement terms of business states that:

We (Kingswood) reserve the right to amend these Terms and Conditions of Business without your consent but will notify you with our amended Terms of Business as and when its practical and relevant to do so.

Those terms of business superseded the D-PIMS factsheet and agreement which stated that the D-PIMS Investment Plan was subject to Kingswood's Terms of Business.

Therefore, whilst the type of service was changing, I think Kingswood made it clear that the terms and conditions of the previous agreement still stood. So, it follows its reasonable that Mr T still be bound by those terms and conditions unless notified of their change also.

Furthermore, the terms of business between Kingswood and Mr T were not changing significantly so the changes were not so material to make the previous agreement defunct and the core elements of the agreement and the service he was entitled to seems to have remained the same. Also, Mr T was free to leave the agreement if he wanted to find another business to take the place of Kingswood.

I am also satisfied that Kingswood gave Mr T suitably advance notice of the change to IBOSS in March 2023 with the migration taking place around two months later and also gave him enough information about the changes and why they were happening. The message that was sent to Mr T explained that:

- The D-PIMS and IBOSS portfolios would be identical and manage in the same way.
- There would be no change to the risk profile of Mr T's investments.
- The portfolio would be renamed to IBOSS Core Portfolio.
- They would be changing the type of Discretionary Management Service to an Agent as Client basis, meaning that Firm L was appointed to act on Mr T's behalf as his agent rather than Mr T. They explained both IBOSS and Firm L were owned by the same Kingswood Group therefore there would be monitoring of the investment decisions made by IBOSS.
- Firm L would reduce their own ongoing fee from 1% to 0.8% and redirect the remaining 0.2% to IBOSS to maintain the same overall cost to the service.

Fund switching and transaction updates

As noted earlier in this decision Mr T has said that his funds were not switched as often as he had been led to expect and that he didn't receive transaction notifications after trades were made and he feels were promised to him.

Mr T is correct in saying that the information he received when he started his relationship with Kingswood did say that there would be around three to four fund switches a year. However, the information that addresses this does not *guarantee* that this number of fund switches would always definitely take place. So in not conducting three to four switches a year on a regular basis I don't think Kingswood has done anything wrong.

The documentation provided to Mr T in 2019 when he started his relationship makes it clear that portfolio changes would be made at the discretion of the then Firm L with the D-PIMS agreement stating:

The timing and nature of changes to the portfolios is at our absolute discretion as and when these are considered necessary to contribute to the achievement of your long-term investment objectives....you accept and understand that we cannot make any promises as to the future performance of any D-PIMS Investment Plan maintained on your behalf and that, so long as we act in good faith, we cannot accept any liability for any loss arising through our exercising of this authority.

It wouldn't make sense for a discretionary service to commit itself to a set number of fund switches a year because the manager should only be acting in the customers best interests. So there will bound to be times when a switch isn't the right action to take and if certain number of switches had to be met in any year this could lead to poor management of the funds/investments. So I don't think Kingswood misled Mr T in any way on this matter and I think it stands to reason that the changes of funds within the investment were and are always left to the discretion of the fund manager.

I know Mr T feels that Kingswood should have taken action during the COVID-19 pandemic and when the war in Ukraine broke out. However, it was down to Kingswood's fund managers to make that decision based on the overall international economic outlook. I can see some changes were made but wholesale changes weren't, but I can't say that was wrong or that Kingswood acted wrongly or negligently because in my view it did what it thought was the best things for its clients at the time. All any fund manager can do is react in the most responsible way to market fluctuations and wider international events. Changing funds within Mr T's portfolio may not have been the right thing to do during the pandemic or the war – knee jerk reactions are not always the best course of action - but that was the decision of the fund managers and not a decision I can really comment on as I am not a fund manager.

Having said that, the evidence does show that multiple trades did take place in the portfolio over the periods of 2020 – 2022 and I can see that Kingswood updated its clients explaining that the changes were made in direct response to what it was seeing in the markets at the time. Therefore, I am satisfied that Kingswood was proactively and responsibly managing the investment.

In terms of what Mr T feels was the lack of transaction updates the D-PIMS agreement stated that:

We will ensure that you are notified as to the full details of all disposals and purchases as soon as this is reasonably possible after completion. This will be via email alert and will explain reasons for these changes. In addition, you will be notified on a transaction by transaction basis of any purchases and/or disposals promptly by the provider of the products/plans you are invested in.

Copies of quarterly valuations and performance reports that Kingswood sent to Mr T have been provided to me so I am satisfied that Kingswood met its obligations on this point and if Mr T didn't receive them, from what I have seen, I don't think this is due to any failings on the part of Kingswood.

Account discrepancies

Mr T's complaint on this specific point is detailed above. Having looked at all the information provided to me I can see that the cash balances don't appear to add up. The information I have shows me that Kingswood has tried to decipher the anomalies, but it has come to nothing. And I have seen internal notes from Kingswood which shows efforts have been made to answer Mr T's concerns on this matter, but efforts have been unsuccessful. So

overall from everything I have seen on this issue it isn't clear whether the anomalies are in fact real and/or are due to an error on the part of Kingswood.

The view from the second investigator has set out some reasons why there might be discrepancies in the values and on the balance of probabilities and in light of the lack of information on this point I am inclined to agree - two sets of fees being deducted on 5 May 2023 for Kingswood's ongoing servicing fees as well as Quilters product charges which would have impacted the cash portion of the account between the migration period of 9 May 2023. As well as Mr T received a tax adjustment and the sale of one of the funds on 14 April 2023.

However, overall, the information provided just isn't enough to resolve this particular issue nor is there enough to categorically conclude that Kingswood is responsible for the discrepancies in Mr T's cash holdings.

In order to resolve this, I suggest that Mr T take this matter up directly with Quilter given it is the platform provider and is responsible for issuing contract notes and valuations. In my view Quilter is best placed to explain how cash is moved through the account and why the balances don't appear to reconcile, and Kingswood's responsibilities are almost limited to just providing the ongoing advice service to Mr T. If Mr T has further problems after taking this matter up with Quilter and still cannot find a resolution, then he is entitled to refer a new complaint to us about this specific issue.

General poor service from Kingswood

There is no doubt that Kingswood's service has fallen below the acceptable standard of care I would expect to see from a business and Mr T's queries did go unanswered for a period of time. Obviously, this was frustrating for Mr T however in recognition of this Kingswood has offered Mr T £100 and in my view I am satisfied that this is representative of the impact Kingswood's failings in dealing with Mr T has had on him. So I don't think Kingswood need to offer any further sums in this specific regard.

Annual suitability reviews

Mr T's complaint to Kingswood in early 2024 concerned the failure to provide reviews in 2020, 2021 and 2023. Mr T does not dispute that a review took place in 2022, and I've also seen evidence that one took place. So, I have no need to comment on this further.

Also, following the first assessment of the complaint Kingswood has agreed that it didn't carry out the required reviews for the years 2021 and 2023 and has agreed to refund the fees Mr T has paid for these. So the only remaining review to consider is the one that should have taken place in 2020. In deciding this point I have taken into account the recommendations made by the Financial Conduct Authority ("FCA") in its review of ongoing financial advice services published on 24 February 2025.

In this review the FCA set out that where a firm was "ready, willing and able" to provide suitability reviews, but a client has "consciously declined" that review, they would consider it less likely that redress needs to be paid. In situations where a client doesn't respond to an invitation for a review, the FCA's review indicates that they would still expect the firm to make "reasonable and proportionate" attempts to engage with the client. They cited examples of good practice such as firms having "effective systems and adequate resources to ensure suitability reviews were scheduled and offered as agreed."

From the evidence I've reviewed, I am satisfied that Kingswood was ready, willing and able to provide a review in 2020, as I have seen evidence that it contacted Mr T at the

beginning of the year to attempt to arrange a review in February 2020. Mr T has said that he didn't respond to those requests because the plan had only just been set up in September 2019 and it felt too early for a review. Mr T has said that his expectation was that an 'annual review' should take place after a period of twelve months had elapsed. In the circumstances, I think it was reasonable for Mr T to expect that an annual review would take place on or relatively close to the anniversary of when the plan was set up. The advice was not finalised until August 2019, and the plan was not established until 5 September 2019 – so I think it was reasonable for Mr T to expect that Firm L as it was at that time would contact him for the next annual review around this same time of year in 2020. So the request for a review in February 2020 seems to have been based more on convenience for Firm L – indeed the notes say that Mr T's adviser was "in the area" around this time.

I also don't think that Firm L made reasonable and proportionate attempts to contact Mr T for the review in 2020. I have seen that it emailed Mr T a further two times to invite him to a review but I don't think this was enough and the adviser could have telephoned him. So I don't think Firm L did all it could have to make contact with Mr T and deliver a review in 2020 in line with expectations. And ultimately, I would have expected it to try again to contact Mr T around the plan anniversary to confirm if he wanted a review. As I have no evidence they did this, I can't say it has acted correctly or fairly.

So along with a refund of the reviews for 2021 and 2023 (already agreed) I think Kingswood should also refund Mr T for the missed review in 2020 because although Mr T didn't respond I don't think Firm L/Kingswood made enough attempts to contact him and really the review should have been carried out more towards the end of the year to make it more beneficial for Mr T and his investment.

Overall therefore, I agree that Firm L and Kingswood services to Mr T fell below the expected standards and that the reviews for the years 2020, 2021 and 2023 were not carried out as they should have been and therefore the charges for these should be refunded to Mr T. However in terms of the rest of the complaint points that Mr T has raised, I don't uphold those points, for the reasons I have set out above.

I have set out how Kingswood are to calculate the redress for the refund of the reviews below.

Putting things right

My intention is to put Mr T as close as possible to the position he'd have been in but for Kingswood's actions. I consider that the failure to provide reviews in 2020, 2021 and 2023 was a significant service failing, as this formed a core part of the service Mr T had agreed to. So, with this in mind, I'm satisfied a refund of fees that paid for those reviews is due. And my aim is to put Mr T's plan into the position it would have been in had he not paid the ongoing advice charges for the 2020, 2021 and 2023 reviews.

I think it's fair to say that the reviews ought to have taken place around the anniversary of the plan set-up, so in September 2020, September 2021 and September 2023. I think it's reasonable to say that the twelve months of fees preceding those review dates would have paid for those reviews.

Had the monthly fees not been deducted from Mr T's plan, the plan would be higher by the value of those fees and any investment returns those fees would have gone on to benefit from. So, I think Kingswood should pay the difference between what the plan is actually worth and what it would be worth on the day of settlement, had the fees not been deducted.

The compensation amount should if possible be paid into Mr T's pension plan. 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 plan isn't possible or has protection or allowance implications, it should be paid directly to Mr T as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

If Mr T has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.

Kingswood should provide a copy of their calculations in a clear and easy to understand format.

Kingswood must also pay Mr T the £100 it has already offered in recognition of the distress and inconvenience these problems have caused him.

My final decision

My final decision is that I uphold this complaint.

I direct KW Wealth Planning Limited trading as Kingswood to pay Mr T the redress using the method set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 October 2025.

Ayshea Khan
Ombudsman