DRN-5756955

The complaint

Ms F has complained about the advice provided to her by St. James's Place Wealth Management Plc ('SJP') in respect of benefits she was entitled to under a pension sharing order ('PSO') which she felt was delayed and had an impact on her housing arrangements. She has also complained about the income she received from the pension, which was also delayed and which she was led to believe would be higher.

What happened

Ms F was previously married and was granted pension benefits through a PSO. A letter from the pension trustee dated December 2016 confirmed Ms F's share amounted to £317,822.46

In January 2017 Ms F's late parents introduced her to an adviser who worked for a business that was a representative of SJP. As such, I'll refer to the adviser's actions as SJP's actions going forwards.

An initial meeting took place in January 2017 where SJP recorded Ms F's circumstances and needs in a document I'll refer to as a fact-find. SJP noted that Ms F had been awarded pension benefits through a PSO and was in the process of selling her marital home. As such, she was exploring housing options and explained she might need to use the pension to help with the property purchase. The adviser noted that Ms F would be turning age 55 soon.

Further calls took place between Ms F and SJP in March and August 2017 and the fact-find was updated with her progress on the sale of her home and finding a new property. In November 2017 Ms F informed SJP that she had agreed to purchase a shared ownership property and would be part-financing this with a mortgage. However, in December 2017, Ms F informed SJP that she couldn't proceed with the lender she had chosen and was having to approach a 'sub-prime' lender. Ms F discussed using her tax-free cash ('TFC') entitlement from the pension with the adviser instead.

Ultimately, in January 2018 Ms F told SJP that she would be purchasing a share of the property as a cash buyer using the proceeds of the sale of her marital home, money she held in a trust account and a loan from her parents. A call was arranged for 24 January 2018 so that SJP could further discuss her pension income needs and explain the recommendation it would be making. The call went ahead and the fact-find was updated with this information.

On 25 January 2018 SJP provided a written recommendation to transfer the pension benefits to a Retirement Account with SJP and invest the monies in the Balanced portfolio line with Ms F's medium attitude to risk. SJP recommended that Ms F use a flexible phased drawdown strategy meaning that funds could gradually be crystalised to provide the income required and because Ms F required flexibility in her income needs.

SJP recommended that Ms F crystallise £62,400 so that she could take an immediate TFC payment of £15,600 to fund her income needs for the first year. SJP said they could reassess the situation at her next review in 12 months.

Ms F exchanged contracts on 2 February 2018 and moved into her new home on 7 February 2018.

SJP met with Ms F on 19 February 2018 to take her through the recommendation letter. Ms F signed to confirm she accepted the advice on 19 February 2018.

It appears that the TFC payment was made to Ms F in late April 2018.

In September 2018 SJP carried out a review of her pension and Ms F also discussed purchasing an additional share in her property. Ms F ultimately decided against proceeding at this time and said she would reconsider next year.

In February 2019 Ms F contacted SJP to explain her financial situation was dire; her funds were depleted and she was having to rely on her overdraft. She said she couldn't wait until April (the new financial year) to draw further funds. An additional withdrawal of £6,000 was made from her pension and the funds were credited to Ms F's account on 25 February 2019.

Ms F met with the adviser again in December 2019 to discuss taking extra TFC from her pension to meet an income shortfall until April 2020. A recommendation letter dated 13 December 2019 noted that Ms F had already taken £12,000 from her crystallised funds this financial year and she had used her personal allowance. The adviser noted that in the new financial year they would explore Ms F taking a regular income rather than having to discuss ad-hoc withdrawals. SJP recommended Ms F crystallise a further £20,800 which would allow her to take TFC of £5,300 to meet her income shortfall.

In March 2020, a regular withdrawal of £1,500 gross was set up with the first payment due on 7 April 2020.

Following a review carried out in May 2022, Ms F took TFC of £15,000 to help pay for an extension to her home in addition to the regular income she was taking.

In January 2024, Ms F made a complaint to SJP and asked for the adviser's agency to be removed from her pension. She complained that because of delays in receiving the pension advice from SJP, she almost missed out on purchasing a shared ownership property. So as not to jeopardise the sale, she instead paid for the share in cash using the proceeds of the sale of her marital home, money held in a trust and a loan from her parents. However, Ms F said had her pension been transferred sooner, this could've been avoided and she could've used her TFC entitlement. Ms F questioned whether her TFC entitlement had ever been made available to her.

Ms F also complained that because payment of her pension income was delayed by SJP, she had to apply for housing benefit. She said she didn't receive her first income payment until April 2018. She questions whether the delay in moving the pension and receiving her income was due to a mistake made with her date of birth, meaning that SJP was under the impression that she turned age 55 in April 2018 when she actually turned 55 in April 2017.

Ms F highlighted instances over the years where two months' income was paid together in the same month, which resulted in her paying more tax than she should have. For example, Ms F emailed SJP in May 2023 to explain this had happened, which had also happened in August 2022 and August 2021. I understand it also happened in January 2024. Ms F explained that HMRC had told her this was due to the timing of the payments being made before the 6th of the month, meaning they were added to the previous month's income for tax purposes.

Ms F also said that the income she received from the pension wasn't sufficient to cover her bills – she complained this was less than SJP had quoted when she received the advice. She said SJP had told her she'd receive an income of £23,000 per year or TFC of £79,000 and an income of £17,500 per year.

After considering the information provided, the Investigator didn't uphold Ms F's complaint. He thought that the advice provided by SJP was suitable and it hadn't been delayed. The Investigator also wasn't persuaded that Ms F had been misled about the income she would receive.

Ms F didn't agree. She thought the adviser hadn't fully grasped her situation in 2017 and had made suggestions that weren't helpful. She said there was no reason why her income couldn't have been provided by the time she moved in February 2018. She said a statement showed the monies had been transferred in December 2017 and actually showed £319,108 had been sent. In any event, it ought to have been transferred to SJP much sooner given her first meeting was in January 2017.

Ms F said she hadn't been told she would be getting income as lump sum payments; she was expecting it to be a regular income so that she could budget in accordance with her monthly bills. And Ms F maintained that she should've been getting a higher amount of income based on the initial figures presented to her. Ms F added that she'd asked for the advice arrangement to cease in December 2019 as it wasn't required but this was ignored by SJP and it seemed that the adviser in question was still attached to her pension despite again asking him to be removed in January 2024.

The Investigator wasn't persuaded to change his opinion so the complaint was referred to me to make a 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.

The parties to this complaint have provided detailed submissions to support their position and I'm grateful to them for doing so. I've considered these submissions in their entirety. However, I trust that they won't take the fact that my decision focuses on what I consider to be the central issues as a discourtesy. To be clear, the purpose of this decision isn't to comment on every individual point or question the parties have made, rather it's to set out my findings and reasons for reaching them.

It also is evident that Ms F has made further representations and raised additional concerns following the complaint being referred to us and following the Investigator's assessment. However, I will not be considering those issues as part of this complaint. For clarity, the issues raised that I am <u>not</u> considering as part of this complaint and which should be referred to SJP in the first instance are as follows:

- Ms F has complained that despite asking for the SJP adviser to be removed, he continues to be referenced as her adviser in recent correspondence.
- The adviser failed to let her know she could apply for universal credit.
- Ms F has complained about the performance of the pension; she received a statement that £119,000 of her pension had been diminished since received by SJP in April 2018.
- Ms F said she asked for the advice arrangement to cease via email on 14 December 2019 as it wasn't required but this was ignored by SJP.

I will now address the concerns Ms F has raised as part of this complaint in turn.

The delay in SJP providing the pension advice

I've considered this point carefully, but I'm not persuaded that the pension advice was delayed by SJP. I accept that Ms F first met with SJP in January 2017, but based on the adviser's notes from that time (captured in the fact-find) I think it's likely he made it clear to Ms F that he couldn't simply get the pension transferred to SJP. I think he most likely explained that it depended upon Ms F's circumstances and needs when he provided the advice, and at this point, she was awaiting the sale of her marital home, and was looking for somewhere else to live. As such, I don't think it was clear how her pension fit in with those plans, for example, whether she may need to access TFC to help pay for it. I'm also mindful that she hadn't yet turned age 55 (the adviser had correctly noted her date of birth) and so couldn't access her pension funds. Overall, I'm satisfied that it was reasonable for the adviser to wait until Ms F's plans were clearer.

I can see that there was some contact in the summer of 2017 and although by this time Ms F had reached age 55, it was noted that her plans had not yet become fixed and it appears that a potential buyer for her marital home had backed out. As such, I don't think it was unreasonable that the adviser didn't proceed with the advice at this point. I also haven't seen any evidence to persuade me that Ms F was pressing for things to move forward either. I understand that Ms F was in receipt of an income payment of £10,000 per year which would cease once she gained access to her pension. So, I think this was likely another reason why she wasn't pressuring SJP to move her pension before her housing situation resolved. I'm also mindful that Ms F would start to pay fees to SJP once the pension was established, so I think this is another reason why it was sensible to wait until Ms F knew what part her pension would play in her house purchase.

It's evident that things had changed by November 2017. Ms F informed SJP on 13 November 2017 that she'd found a shared ownership property and was moving forward with this. She said she hoped to be able to purchase the property without using her pension and instead would use the proceeds of the sale of her marital home and a mortgage, but she could use some of her trust account funds if the mortgage repayments were too high. Ms F said that as she understood it, she could take an annual income of around £23,000 or £17,800 if she also took TFC so she hoped this would be sufficient to demonstrate the mortgage was affordable. Ms F asked SJP to advise her on the next steps.

The adviser responded on 16 November 2017 as follows:

"I will go through the file over the weekend to put together as much current info as I can to get the wheels in motion but of course as it's nearly nine months since we originally met there may well be the need for some updated paperwork…

…From memory the value of your share of pension was £317,822.

From our previous discussions you were looking to take the maximum possible withdrawal under a drawdown arrangement [Ms F] *which would be 7.5% of invested capital so in the region of £23,836 per annum if you took no tax free cash, or if you took the maximum tax free cash of £79,455 this would mean a reduced maximum income withdrawal in the region of £17,877 pa…*

… From your emails this week I don't believe you are now looking for the tax free cash just purely maximising income withdrawals, is that correct?

Now we hopefully have a definite plan which involves leaving at least the majority of the pension invested with ourselves I can approach [pension trustee] *for all the technical detail and prepare the advice and compliance paperwork to transfer to ourselves, but please as mentioned previously bear in mind this level of technical paperwork is very important and complex, and will take from my experience at least a few weeks to complete (possibly longer with Christmas)."*

I can see that the adviser spoke with the pension scheme trustee in December 2017 who confirmed the value of £317,822 and was available to transfer as soon as a receiving scheme was identified.

It appears that Ms F then encountered issues with her chosen mortgage provider because of a credit history problem caused by her ex-husband. As such, she sought financing through a different lender – however, it doesn't appear that the housing association providing the shared ownership property was prepared to agree the sale unless she used a mainstream lender. Ms F decided to proceed as a cash buyer instead, and spoke with the adviser to explain that she may now require access to the TFC and asked that he provide whatever information was needed to secure the property. Ms F was told that she needed to provide the financial information by 22 December 2017 at the latest.

Ms F spoke to the adviser where they discussed Ms F using as little TFC as possible and instead using more of her trust account monies, and it appears that he prepared to provide advice on this basis. However, SJP told Ms F it wouldn't likely be able to finalise the advice until January 2018. I don't think that was unreasonable given the Christmas period was approaching.

As I understand it Ms F informed SJP on 20 January 2018 that after discussions with her family, her parents had decided to gift her the remaining monies required to purchase the property so she no longer required funds from the pension for the purchase. The adviser arranged a call for 24 January 2018 so that he could go through Ms F's income requirements and finalise his advice.

It appears that the advice, although prepared on 25 January 2018, was delivered to Ms F in a meeting on 19 February 2018. I don't know why the meeting wasn't earlier than this but given that Ms F exchanged on her new home and moved in on 7 February 2018 it's possible that her house move prevented the meeting from taking place sooner. In any event, I haven't seen evidence to persuade me that this delay was due to SJP or that Ms F had requested a meeting sooner.

Ms F accepted the advice on 19 February 2018 and the funds were requested by SJP on 21 February 2018. So, I don't think there was any delay here. It appears that the funds were not received by SJP until mid-April 2018 – I don't think that was within SJP's control and I can see that the adviser told Ms F he'd chased the pension trustee on around 18 March 2018 and again on 4 April 2018.

I'm mindful that Ms F told the adviser that the first two months' rent had been included in the purchase completion statement to allow her some time to adjust her finances. So, as I understand it the first rent was due in April 2018 and she also informed SJP that she was having to pay a large council tax bill in the same month.

I don't doubt that it would've been incredibly frustrating for Ms F to not have received any pension income until late April 2018, and I note that she started to apply for housing benefit to bridge the gap although ultimately she didn't need to proceed with it. But I'm not persuaded that the advice could've been delivered sooner than it was given the changing circumstances. Furthermore, once the advice was delivered, based on what I've seen, it seems to me that payment from pension trustee took almost two months to arrive, despite SJP chasing matters. I think SJP would've reasonably expected the pension funds to have been deposited before Ms F's first rent payment was due in April 2018. So, I'm not upholding this part of the complaint.

The suitability of the pension advice and the income provided

I've considered the advice provided to Ms F and overall, I'm satisfied it was suitable for her, given her particular circumstances at the time.

I think it's important to recognise that at the time of the advice, although Ms F's housing situation had resolved, her future income requirements were not set in stone. Ms F was moving into a new home and while she and the adviser had estimated what her monthly expenses would be, this could be subject to change. Her son was living with her and was contributing towards expenses. However, it was noted that depending on his employment, he may be able to contribute more, but he also might have to reduce what he was paying in future. Furthermore, while Ms F wasn't working at this time, it was hoped that she would be able to return to work, which might reduce the reliance on her pension to cover bills. It was also noted that Ms F would receive a state pension, meaning that her income requirements from the pension would be higher at first and then reduce once this became payable.

Ultimately this meant that Ms F required flexibility in how she took income from the pension, meaning that taking an annuity, which would provide a fixed, annual income, wasn't suitable for her. I therefore think that the recommendation to transfer the pension benefits to an SJP Retirement Account and using a phased drawdown strategy was a suitable recommendation. And I'm satisfied that the recommendation to invest her monies in the Balanced fund was suitable given her medium attitude to risk.

Ms F says that she was told she could get £23,000 per year if she took no TFC, or if she took the maximum TFC of £79,455 she would get around £17,500 per year. I recognise that in SJP's email from November 2017, the adviser said Ms F wanted to take the maximum income from her fund, which would equate to these figures. However, this was before the advice was provided and ultimately the adviser's job was to make a suitable recommendation and act in Ms F's best interests, rather than simply providing what she asked for.

Overall, I think that the recommendation that Ms F crystallise £62,400 so she could draw £15,600 in TFC was a suitable recommendation as this sum was expected to cover her income needs for the next year. Her needs thereafter would be assessed and adjusted as required.

I appreciate that Ms F says this wasn't enough money for her meet all of her expenses for the year, particularly as some unexpected costs arrived. But I'm satisfied that the sum SJP recommended Ms F take initially was suitable and was based upon an estimated need of £1,300 per month. The fact-find that was updated in January 2018 set out that she had estimated a required income of £1,500 per month – this was worked out taking account of essential spending, discretionary spending, council tax, rent, property service fees and utilities. And after taking into account the £200 per month her son was contributing, this left her with a need to withdraw £1,300 per month from her pension. The adviser noted that they would meet in November 2018 to see how things were going and to discuss what her income need might be the following year.

I recognise that the amount calculated by the adviser did not leave much room for unforeseen expenses. However, it's clear that he wanted to ensure that Ms F did not deplete her funds unnecessarily in the early years, given that the pension was needed to sustain her for the remainder of her lifetime. And it's evident that Ms F, if she found she required more money, could contact the adviser to make a further withdrawal, as I note she went on to do in February 2019. I think that this was a reasonable approach in the first instance, until Ms F had a better understanding of her expenses in her new home and in case she was able to start working and reduce her reliance on her pension for income.

I also understand that receiving a lump sum rather than a regular amount made it harder for Ms F to budget. But I'm satisfied that this was a suitable recommendation, because it ensured that she was able to take all of the funds tax-free, given she'd already been in receipt of income that year which would've used her personal allowance.

I'm also satisfied that Ms F's TFC entitlement was made available to her. Ms F may question why SJP didn't recommend that she take her full TFC entitlement upon transfer of her pension. But I think the adviser's aim was to ensure that Ms F did not take more income than was needed, given that this pension was her main source of income in retirement. Furthermore, by not taking the full TFC entitlement straight away, and instead using a phased drawdown strategy, it meant that Ms F would first and foremost be able to utilise her personal allowance, and then she could take further tax-free sums if additional income was required, thereby reducing the income tax she'd have to pay overall. I think this was suitable advice in the circumstances.

Ms F questions why the adviser did not recommend she use her TFC to purchase her property, but it's evident that Ms F had other means to pay for the property, including her trust account. Ms F said she didn't want to deplete her trust account funds. However, I'm satisfied that it was suitable advice for Ms F to retain as much of her pension as possible for her retirement income needs, given these funds would have the opportunity to grow in a tax efficient environment.

The sum credited to Ms F's SJP pension

Ms F has said she received a statement showing the pension monies had been transferred to the Retirement Account in December 2017 and showed £319,108 had been sent to it. Ms F questioned this anomaly, given that subsequent paperwork showed that the amount received was £317,822.46 in April 2018.

I've reviewed the extract of the statement Ms F included in her email dated 26 August 2025 and it shows the information as follows:

Changes since 31 December 2017		**Value as at 26 July 2018**	
Investments	Withdrawals	Current encashment value	Current unit value
£317,822	£15,600	£299,962	£319,108

I think the confusion has arisen because SJP usually provides valuations showing the value of the pension on 31 December each year and compares it with the value of the pension on 31 December the previous year. It seems to me that this statement contained the value of Ms F's pension on 26 July 2018, showing the encashment value and unit value on this date. Although Ms F's pension monies didn't arrive with SJP until April 2018, because of how the statements are formatted, it shows the original sum invested was on 31 December 2017.

While that isn't correct, I think Ms F knew that to be the case as she didn't receive the advice to transfer until January 2018 and SJP was having to chase the funds from the pension trustee until they were received in April 2018. While using the date of 31 December 2017 isn't correct, Ms F is at least able to see how the value of her pension changed between the time of opening the pension and 26 July 2018. This showed that the unit value had increased to £319,108. I'm satisfied that the amount SJP received into the pension was £317,822 and this wasn't received until April 2018.

The timing of income payments resulting in higher tax being deducted

Ms F has complained that on several occasions over the years, she has received income payments on 5th of the month, when she has asked that her income is paid on 7th of the month. This has meant that two income payments have been made within the same monthly period, meaning that she was deducted a higher level of tax than she should have been.

As I understand it, Ms F's chosen payment date is on 7th of each month. But according to SJP, if that date falls on a weekend, then the system defaults to paying it on the earliest available date. For example, SJP explained that Ms F ought to have received an income payment on 7th January 2024. However, as this was a Sunday, it was instead paid to her on Friday 5th January 2024. The tax month runs from 6th to 5th of the following month. Ms F received a payment on 7th December 2023, so, when the payment was made on 5th January 2024, it was paid within the same tax month.

I appreciate that this has been frustrating for Ms F when it occurs, but I'm not persuaded this tax issue could've been avoided as when a particular date is selected for payment, it is inevitable that it will fall on a weekend at some point. And I don't think it's unreasonable for the money to be paid earlier than 7th, rather than later, particularly if the money is required to meet expenses on certain dates. SJP explained that because Ms F has a cumulative tax code, the tax will balance itself out in the next month. So, although frustrating, Ms F will not have suffered financially overall. Ms F may wish to explore changing her payment date with SJP to see if this can be avoided in future if it creates too much uncertainty for her or it makes managing her finances more difficult.

Summary

I know Ms F feels very strongly that SJP has treated her unfairly here, but overall, I'm not persuaded that the advice provided to her was unsuitable or that it was delayed. And I'm not persuaded that the taxation issues that arose due to income payments being paid within the same tax month could have been avoided. So, I'm not upholding her complaint.

My final decision

For the reasons set out above, I'm not upholding Ms F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 5 November 2025.

Hannah Wise
Ombudsman