

## The complaint

Mr H has complained about the service he has received from St. James's Place Wealth Management Plc ("SJP"). He's said he was promised higher returns on his investment compared to other providers, despite the charges being higher, but this hasn't come to fruition. He's also said that he hasn't received the annual reviews that he has been paying for, that the early withdrawal fees are unreasonable and that he is "trapped" in the investment due to these.

## What happened

In 2020 Mr H was referred to SJP by a work colleague because he had some concerns about his pension plans he held with different providers. He met with an adviser on 3 April 2020, and a Confidential Financial Review document recorded his circumstances at the time as follows:

- He was 56 years of age and was employed on a full-time basis.
- His annual salary was around £30,000.
- He had a monthly disposable income of around £1,000.
- He held emergency funds of around £8,000.
- He held four pensions – two were final salary schemes and two were personal pensions – one which had commenced in 2001 and the other in 2016. The earlier one was paid-up, and the latter was receiving ongoing employer contributions of over £700 per month and would remain open for that purpose.

A suitability report dated 22 May 2020 was produced following this meeting setting out Mr H's objectives as being to receive advice on personal pension provisions. It was recorded that Mr H had had no meaningful contact with the provider of his personal pensions and as he was getting closer to retirement, he felt that having someone on hand that he could contact and have face to face meetings with was very important to him. It was also recorded that he didn't want to continue his relationship with his existing provider.

In response to the information gathered and Mr H's stated needs and objectives SJP advised him to transfer one of his personal pensions and transfer in part his second personal pension into an SJP Retirement Account ("RA"), to be invested in a Managed Funds portfolio as SJP had assessed Mr H to be a medium risk investor. Mr H accepted this advice and in total transferred just over £20,000 to the RA.

Information provided by SJP confirms that the first annual review of the RA took place on 23 June 2021 and a letter summarising the discussion was issued to Mr H on 30 June 2021. It noted that Mr H's financial situation hadn't changed nor had his attitude to risk, and so no changes were recommended to the plan or the funds into which Mr H was invested. The letter also confirmed that the performance of the plan over the preceding twelve months had been reviewed.

The next documented review of the RA seems to have taken place on 2 October 2023 with a summary letter being issued on 8 November 2023. This time some changes were made to

the fund selection to rebalance the portfolio. A summary of the applicable charges as well as the current value was also given.

On 8 June 2024 Mr H completed an online form for SJP which appears to have been in relation to annual reviews and was followed by an email on 28 September 2024. Then on 21 February 2025 SJP wrote to Mr H explaining that as he hadn't had a recent review it would be switching off the service and refunding the relevant charges in due course.

Mr H queried this letter amongst other concerns with SJP but became unhappy when he didn't receive anything meaningful from SJP. So on 14 June 2025 he referred his complaint to this Service.

Whilst the complaint was being investigated by this Service SJP issued its final response letter dated 10 July 2025. It didn't uphold Mr H's complaint points about the performance of the RA or the early withdrawal charges. However, it did recognise that it hadn't provided the annual reviews of the RA that were due in 2022 and 2024 and 2025. So, it offered to refund the charges for the missed reviews plus 8% simple interest, along with £150 for the distress and inconvenience the matter had caused.

Mr H was unhappy with the response from SJP and so the complaint was assessed by one of our investigators. He felt that there was no evidence of any guarantees of performance given to Mr H at the time. He also felt that the early withdrawal charge was disclosed at the time of the sale, so Mr H knew what he was agreeing to when he decided to open the RA.

In terms of the annual reviews and the ongoing advice charges associated with them the investigator found that there was no evidence of any reviews being carried out for the years 2022, 2024 and 2025 and so agreed with the offer SJP had made to refund the charges Mr H had paid for these along with the addition of the 8% simple interest. He did, however, note that whilst offering 8% simple interest wasn't exactly in line with how this Service would usually calculate the redress due for this type of complaint, taking a pragmatic approach, he felt it was fair and reasonable and largely reflective of the loss of investment gain Mr H would have suffered by paying the fees and not receiving the appropriate service.

Mr H didn't agree with the investigator's assessment commenting that the outcome did not penalise SJP or hold it to account for anything. He also stated that the 8% interest didn't represent the loss of earnings he had suffered in bringing the complaint to this Service inferring in his comments that he wanted 8% compound interest instead. He also said he felt SJP was in breach of contract and wanted further recompense for its failings. He also asked the investigator to request a breakdown of total charges he had paid from SJP.

The investigator responded to Mr H's comments but wasn't persuaded to alter his initial outcome.

So, as no agreement could be reached the complaint has been passed to me to decide.

### **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, 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.

Mr H has made many detailed comments in bringing his complaint to this Service and has expressed his strength of feeling on this matter. I've considered everything he has 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.

It's also important for me to make it clear that this Service doesn't "penalise" businesses when it has been found that it did something wrong or when an error has occurred. Given our objective stance all we can do when a complaint should be upheld is ensure that that an error is rectified and/or that a consumer is out back into the position as far as possible that they would have been in had the error/mistake not happened.

It seems to me that Mr H's complaint points can be grouped into three main issues: early withdrawal charges; transparency of charges; and the provision of annual reviews and the ongoing fees Mr H has paid for these.

I appreciate that when the investigator assessed the complaint he looked at the suitability of the advice that Mr H received and found that it was suitable for him. However as Mr H hasn't contested the suitability findings in any of his follow up comments to the assessment clearly directing his focus elsewhere, I haven't addressed this point any further in this decision and have focused only on the issues that remain in dispute.

### *Early withdrawal charges*

The paperwork from the time of the sale clearly states that if Mr H was to withdraw from the RA in the first six years of the initial set up there would be early withdrawal fees to pay, decreasing each year until year six after which there would be nothing to pay to exit the plan. The illustration documentation also provided to him also set this information out clearly. So in my view Mr H was aware of these charges at the outset and so would have known they applied before he agreed to switch his pension to SJP. It may be useful to point out that the investment into the RA was recommended to be held for the medium to long term to allow the plan to endure short-term volatility which inevitably occurs in the investment markets. Shorter term investments can carry higher levels of risk, and an investor is more likely to achieve their goals by investing in a portfolio that meets their needs and objectives, and which is over a more extended period of time. Furthermore, any business is entitled to charge early withdrawal penalties providing the information has been made clear before any investor makes their final decision. In this case I think all information was made clear and I can't see that SJP has done anything wrong in relation to the early withdrawal charges, nor do I think the charges are unfair or unreasonable.

### *Transparency of charges*

Mr H is unhappy with what he perceives to be the lack of transparency surrounding the charges SJP has taken from his RA and he feels they are too high.

All pension providers charge for the management of investors' plans along with transaction costs and ongoing advice services if applicable. It stands to reason there are costs for the services that a firm provides. So, there is nothing wrong in SJP taking these charges. In

terms of the level of these charges this isn't something this Service can comment on as this issue is one better considered by the regulator, the Financial Conduct Authority.

Having looked at the information provided I am satisfied that the illustrations provided to Mr H set out the applicable charges in percentage form and also showed a projection of how the total charges would impact the growth of his pension value in the future. This was provided to Mr H before he made the decision to switch to SJP so he would have known all the relevant details before he confirmed the switch. I know Mr H wants SJP to have provided him with the exact monetary value of the charges but given the charges usually vary dependent upon the total value of the investment it doesn't seem unreasonable to me for the charges to be denoted in percentage terms rather than pounds and pence. So, while I agree a monetary value would be more meaningful SJP isn't obligated to do this, and I don't think it would necessarily be practical in any event.

#### *Annual suitability reviews and associated charges.*

The annual review of Mr H's RA should have taken place from mid-2021 – this being around the first-year anniversary of the RA's inception – and then each year thereafter.

As detailed earlier in this decision the evidence provided to me shows that a review did take place in June 2021 and November 2023. So clearly no reviews were carried out for 2022, 2024 and 2025 but Mr H continued to pay fees for this service.

Again, as already detailed, SJP agreed before the investigator issued his assessment that it had missed these reviews and offered to refund the charges Mr H had paid for them plus interest of 8% simple.

Overall, I am in agreement with the offer SJP has made. The calculation of the loss on investment gain is different to our usual approach in these types of cases. However, it is a more practical and efficient way of redressing the matter and does roughly reflect any lost investment gains Mr H would have suffered. And while Mr H disagreed with this calculation this was because he felt compound interest would be more preferable and also because he wants his loss of earnings repaid caused by bringing this complaint.

As a rule, we don't award compound interest as we base this on what a court would use. And in terms of Mr H's loss of earnings, we don't make awards on this basis unless it is directly linked to the error being upheld.

I can see that Mr H has been given the choice to receive the lost investment gain calculated by our normal approach however he hasn't responded despite the investigator asking him the questions number of times. Therefore, in lieu of Mr H's preference and bearing in mind we are an informal dispute resolution service which looks to resolve matters in a timely manner, I agree with the loss on investment gains being calculated in the manner which SJP originally suggested.

In terms of any further redress to be paid to Mr H, SJP has offered to pay him £150 in recognition of the delays he suffered in SJP providing him with an answer. In my view this is a reasonable amount and is representative of the distress and inconvenience the delays have caused him. And aside from SJP not providing the annual reviews service which Mr H had paid for I am of the view that Mr H hasn't suffered any further detriment. Therefore, I am not awarding any further redress.

#### **My final decision**

My final decision is that I don't uphold this complaint. And I make no award over and above

that already offered by St. James's Place Wealth Management Plc which it should pay within a reasonable timescale.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 November 2025.

Ayshea Khan  
**Ombudsman**