

The complaint

Mr C, with the help of a professional representative, has complained about the advice he received from an appointed representative of Quilter Financial Services Limited ('Quilter') to transfer his personal pension to a Quilter Retirement Account (RA) in 2015. He has said the advice was unsuitable mainly because the transfer removed any spread of management risk and diversity from his portfolio and exposed him to a more expensive charging structure. He has also complained that despite paying fees for ongoing advice he didn't always have the required annual reviews and therefore he should be refunded the charges he has paid for them.

What happened

In 2015 Mr C held a personal pension with a provider which I will refer to as Firm S. He had only held this plan for five years having been advised in 2010 to transfer into it from an employer group personal pension plan and another personal pension.

The professional representative has complained about both points of advice. However, as the adviser from 2010 falls under a different arm of Quilter that complaint is now being dealt with under a separate complaint reference and doesn't form part of this decision.

This decision is focused on the advice given to Mr C in 2015 to transfer from the plan with Firm S to the Quilter RA and the ongoing adviser charges (OACs) that Mr C has paid for the ongoing suitability advice he should have received.

The adviser involved in the 2015 advice was working for a firm called IP Wealth Management Limited ("IP Wealth"). As this firm is now the responsibility of Quilter, I will refer to Quilter throughout this decision for ease of reading.

From the information I have been provided with I can see that in late 2015 Mr C met with the adviser from IP Wealth to whom he was referred as he was a specialist adviser in the area of pensions. This was because Mr C wanted a full review of his assets which involved his current pension provisions.

From the fact find completed at a meeting with Mr C and the Recommendation Report dated 26 November 2015 Mr C's circumstances were as follows:

- He was 50 years of age, married and employed.
- His annual salary was around £16,000.
- He had no dependants.
- It was recorded he was in good health at the time.
- The suitability report confirmed that Mr C was specifically looking for advice about retirement and so the advice was focused only on this area.
- It was recorded that Mr C was likely to require a yearly income on retirement of £12,000. Although his target retirement date was set then at age 67 while he could have withdrawn some funds at that age, he had no plans to retire then and that he was happy to set the recommended plan to age 75 allowing him scope to access the funds as he needed them.

- At the time he held a state pension and the personal pension plan with Firm S.
- A shortfall in his retirement income was calculated at about £2,000 so in order to address that gap the adviser recommended he consider contributing to his pension on a regular basis of around £217 per month or a lump sum of around £43,000 net of 20% tax relief. However, Mr C decided not to do this due to him having little disposable income.

Mr C's attitude to risk was also discussed and a separate questionnaire was completed dated 11 November 2015. In this, having answered the questions put to him, Mr C was identified as having a moderate attitude to risk which was described as understanding he had to take some risk in order to be able to meet his longer term goals; he was willing to take risk with a high proportion of his available assets; he accepted that there would be times when the value of the portfolio would fall but he understood the potential volatility and potential return of the investment strategy.

The recommendation letter also set out all the charges and the charging structure that would apply. The charge for the advice was 4.5% of the overall amount invested which worked out to be around £2,500, deducted from the investment. The fund would need to grow by 0.2% per annum to recover the impact of that charge. It was recorded that deducting that charge would reduce the pension fund and the growth rate to recover that was higher than Quilter would normally consider appropriate. However, it also recorded that Mr C seemingly agreed to the charge being deducted from the fund because he felt the term of the plan would extend past normal retirement age due to drawdown as he intended to access the benefits through flexible access.

It was also stated that it was recommended the plan was reviewed on a regular basis. It explained this would comprise of an assessment and review of investment performance and markets relative to Mr C's investments as well as a wider economic review applicable to his circumstances at the time. As well as a summary of the impact of any legislative or statutory changes that might impact his retirement strategy. It would also encompass an update and appraisal of his financial and personal circumstances, needs and objectives as well as a review of his attitude to risk and volatility linked specifically to the performance of his pension funds to ensure continued appropriateness to help ensure his risk tolerance continued to match the investment funds being used.

It also confirmed that Mr C had agreed to have his plan reviewed regularly and the costs of this would be met by way of a deduction from his fund. An annual charge of 0.6% would be deducted each year but as the rate charged was a percentage of the funds the actual amounts payable would vary as the fund value fluctuated.

The adviser recommended Mr C transfer his pension from Firm S to the Old Mutual (now Quilter) Retirement Account. The reasons were:

- The charging structure of the proposed platform was lower than that of Mr C's existing plans. So this meant that the new fund performance could be worse off by 0.7% each year in the new platform and still achieve the same result as Mr C's old plan at his selected retirement date.
- The charges that would apply overall would be clear and transparent.
- The proposed platform had a reducing charging structure as more assets were added to the platform.
- Mr C was only committing to the platform costs and the initial advice charge. The OAC could be cancelled at any time and Mr C could switch to other funds and investment strategies if he felt the current recommended one wasn't working for him.

The adviser recommended 100% investment into the Henderson Cautious Managed fund on a Platform arrangement which gave Mr C a large range of investment funds across many diverse sectors and geographical locations as well as offering flexibility both pre and post-retirement. The other option available had limited fund options with little or no flexibility. The report also recorded that the Henderson fund was available through Mr C's ceding scheme but it was more expensive with that plan.

At the time the Henderson Fund asset allocation comprised of:

- About 48% in UK equities.
- Around 24% in UK fixed interests.
- Around 14% in cash.
- Around 6.5% in US fixed interests.
- Around 1.9% in Dutch equities.
- Around 1% in UK equities.
- Around 1% in supernational fixed interest.
- Around 0.5% in Irish equities.
- Around 0.5% in German equities
- And 0.9% in "others".

The total transferred was in the region of £55,000.

When Mr C via his professional representative raised his complaint with Quilter it objected to this Service considering the merits of the suitability complaint for the advice given in 2015 (and 2010) under the Dispute Resolution (DISP) Rules set out in the Financial Conduct Authority (FCA) handbook (set out in detail below). It said that as the transfer had taken place in 2015 it felt the complaint had been brought outside of the six year element of the DISP rule. It didn't provide any argument as to why it felt Mr C would have known he had a reason to complain more than three years before he actually did.

In terms of the OACs and the service provided Quilter provided evidence that reviews of Mr C's portfolio did take place with Mr C in the years 2016, 2017, 2019, 2021, 2022 and 2024. It provided all the letters sent to Mr C in relation to the reviews where their discussions were summarised.

It also explained that the reviews weren't carried out in 2018, 2020 and 2023 but this was because for two of those years despite being invited for a review Mr C declined the offer and for one of the years Mr C didn't respond to numerous invitations for a review. It therefore felt that it wasn't required to refund any OACs that he had paid.

As Mr C didn't agree with the decision made by Quilter, he referred his complaint to this Service where it was assessed by one of our investigators. He didn't address the suitability of the advice in 2015. However, in relation to the complaint made about the OACs he upheld the complaint as he felt that Quilter should have carried out a review despite Mr C declining the invitations and not responding. He therefore felt Quilter should refund the fees for those missed reviews.

I issued a provisional decision in August 2025 where I set out the reasons why I wasn't intending to uphold the complaint. An extract of my findings is set out below and forms part of this decision:

As above there are two points of complaint that I must consider for this decision – the suitability of the advice given to Mr C in 2015 to transfer to the Quilter RA and the OACs that he has paid and whether he did in fact have any review to justify those charges. For ease of

reading, I'll look at these issues separately.

Suitability of the advice in 2015

Time bar objection

As mentioned above Quilter has objected to this Service considering the merits of part of the complaint – namely the suitability of the advice in 2015 (and 2010 but as already stated this is separate to this complaint). So this is the first point I must consider.

The Financial Ombudsman Service isn't free to consider every complaint that's brought to us. We are governed by rules set by the FCA's Handbook, the DISP Rules as mentioned above. They set out the complaints that we can (and can't) consider and I have to strictly apply these rules.

The specific DISP rule relevant for this complaint is DISP 2.8.2 R which sets out the following:

"The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:

.....

(2) More than:

(a) Six years after the event complained of; or (if later)

(b) Three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he had cause for complaint;

Unless the complainant referred the complaint to the respondent or to the Ombudsman within that period and had written acknowledgement or some other record of the complaint being received;

Unless:

(3) in the view of the ombudsman, the failure to comply with the time limits in DISP 2.8.2 R or DISP 2.8.7 R was as a result of exceptional circumstances;

The rules don't say that Mr C needs to know exactly what's gone wrong to bring a complaint – only that he needs to have a reasonable awareness something might have gone wrong. If a complaint is brought outside of the time limits set out in the rules, we'd only be able to consider it if Quilter has consented – which it hasn't – or if the complaint was brought late due to exceptional circumstances. The FCA gives an example of exceptional circumstances as being incapacitated.

The advice in question was given to Mr C in 2015 so given he raised his complaint in 2024 the "event" is clearly outside of the first part of the rules set out above.

I therefore must next consider the second part of the rule – if Mr C knew, or reasonably ought to have known, he had a cause to complain about the suitability of the advice more than three years before he actually did.

I have seen nothing in all the information provided that persuades me Mr C would have had any reason to complain about the suitability of the advice before he met with his professional representatives. The advice was given by an adviser whom Mr C obviously trusted to act in his best interests. So, while he was given good amounts of information about where he was going to invest his portfolio, I don't think it was reasonable for him to have questioned the adviser at that point in time or anytime thereafter. Also, Mr C wasn't an experienced investor

so wouldn't have necessarily thought about the types of assets he was being advised to invest in and what risk they exposed him to. Also, he received regular statements that showed the value of his portfolio was increasing over the years so again having seen this regularly I don't think there was anything to trigger any concern in Mr C's mind about the advice he had received in 2015. And there wasn't anything that happened in relation to his pension over the years that should have alerted him to having cause to complain until his professional representative told him so.

I therefore don't think that the complaint about the suitability of the advice he received in 2015 had been made out of time. Therefore, its merits can be considered and my decision on this point is set out below.

The merits of the suitability of the advice

In deciding whether the advice provided in 2015 was suitable for Mr C it's important to point out that my role is not to decide what the best or most perfect advice would have been for Mr C, or any consumer. My role is to look at the advice and the recommendations given and decide whether, from the information in front of me, what was recommended was in line with the consumer's needs and objectives at the time taking account of his personal and financial circumstances. So while there may have been other options available to Mr C at the time of the advice rather than switching his pension I can only look at the advice Mr C accepted and assess the suitability of that – I cannot state or decide what else Mr C should or could have done.

As a regulated firm, Quilter and its appointed representatives had many rules and principles that it needed to adhere to when providing advice to Mr C, namely the FCA handbook under the Conduct of Business Sourcebook (COBS) and Principles for Businesses (PRIN), as they were at the time of the advice.

Furthermore, given the complaint concerns a switch of a pension I must also have in mind the relevant guidance provided by the FCA and its predecessor, the Financial Service Authority ("FSA"). And of particular relevance for this complaint is the report the FSA published in 2008 on the quality of advice on pension switching. This report identified four main areas where they considered advice to be unsuitable:

- The switch involved extra product costs without good reason.*
- The fund(s) recommended were not suitable for the customer's attitude to risk and personal circumstances.*
- The adviser failed to explain the need for or put in place ongoing reviews when these are necessary.*
- The switch involved loss of benefits from the ceding scheme without good reason.*

As well as this, in deciding whether the advice was suitable I have considered what obligations Quilter had when providing that advice and in conducting its suitability exercise. In doing this I expect to see that a business has obtained necessary information regarding the consumers' knowledge and experience in investing, their financial situation and any investment objectives – essentially enough information to understand the most important facts of the consumer so that the recommendation meets the consumer's investment objectives. These considerations include their attitude to risk, the purpose of investing and how long they want to invest for; whether the consumer can financially withstand the investment risk; any potential future changes to their circumstances (financial and personal); the extent of their regular income, assets, cash holdings, investments, property liabilities and regular financial commitments.

The advice Mr C received was to switch his pension held with Firm S to Quilter. There is nothing in the information to suggest that the pension with Firm S was no longer suitable for him so clearly the advice warrants a closer look.

As already set out, the information I have tells me that Mr C was seeking advice about his retirement planning. And that he was referred to the adviser in 2015 because the adviser was a specialist in the pension area. That doesn't mean a switch to Quilter was automatically suitable or inevitable, however the information does confirm that the new recommended plan was cheaper for Mr C in terms of charges. So in this respect alone, the advice to switch his pension to Quilter doesn't appear to have been unsuitable.

Its also important to note that Mr C wasn't investing any monies from his earnings. He was investing a lump sum that he had built up over the years that had been effectively ringfenced for his retirement needs. So investing this money into what was very likely to be a long-term investment again doesn't seem unsuitable – it wasn't depriving him of any regular income nor was it using a lump sum of money that Mr C had sitting in cash or earmarked for something else (other than retirement funding).

Turning now to Mr C's attitude to risk assessment and the funds he was recommended to invest in, Mr C was 50 years of age at the time of the advice. He wasn't in a significantly robust financial position earning a modest salary with little disposable income left on a monthly basis. However, he was many years away from retirement (wanting the plan to run until he turned 75 years of age) and as I have said above, he was investing his pension lump sum for his retirement which was a sensible thing to do. He also wanted to invest for growth – he said he wanted to start thinking about his benefits in retirement - and so its logical that he would have wanted to build up his pension as much as he could comfortably do to ensure he was in the best position possible upon retirement. So his risk categorisation being moderate doesn't seem unsuitable to me as this allowed him to invest in a mixture of safe and riskier assets, balanced out by each other, which in turn allowed to have potential for some growth. Also given he was already facing a shortfall at retirement a lower risk rating would not have allowed the possibility of closing that shortfall gap.

In addition to this given how long he was away from his chosen retirement age he was in a position of being able to invest over a long period of time and to weather any fluctuations in the markets over the years thereby increasing the growth potential of the fund.

Looking at the actual funds Mr C was recommended to invest in, I am satisfied they were diverse enough for someone of his moderate attitude to risk – they were split, for the most part, between equities and fixed interests which reflects his attitude to risk – it allowed for some safety while also providing a way the funds could potentially grow in value. And while I appreciate there was a significant proportion in equities this would have been to provide Mr C with the best potential for growth. And even though some of the equities were overseas the majority were placed in UK based equities which balanced out the higher levels of risk posed by the overseas equities.

Overall, therefore, having looked at Mr C's circumstances and the details of the advice he was given I am satisfied that it was largely suitable for him taking account of his needs and objectives at the time.

OACs

As mentioned earlier in this decision the documents from the time of the sale, provided to Mr C strongly recommended that his retirement plan be reviewed regularly, set out what these reviews would comprise of and what the ongoing costs of those reviews would be. And I have seen that Mr C signed a declaration in 2015 confirming that he wanted to have regular

reviews of his then new pension plan. So I am satisfied that Quilter made the costs and general information about the reviews clear in its dealings with Mr C.

Given the advice was given in 2015 the first review was due in 2016 and then each year thereafter.

I have seen evidence provided by Quilter that full suitability reviews of Mr C's plan did in fact take place in 2016, 2017, 2019, 2021, 2022 and 2024. The letters produced by Quilter at the time of each review support this and were sent to Mr C at his correct address shortly after the review meetings seemingly between him and the adviser took place. The letters refer to the review conversation held with Mr C; they set out his circumstances at the time of the meeting noting any relevant changes in objectives and also whether there was a change to the recommendations made by the adviser at the time.

Based on this evidence I am therefore satisfied that Quilter did review Mr C's plan at the correct times (except for three instances dealt with below) and in the correct manner. So no refund of the OACs that Mr C has paid for these specific dates is due to him as Quilter clearly acted in adherence with the contract.

In relation to the years where the reviews didn't place, 2018, 2020 and 2023 I have seen documented evidence that show Quilter wrote to Mr C as normal to invite him for a review but on two occasions he declined the review and on one he simply didn't respond. In 2018 having received an invitation for a review the evidence shows me that Mr C was not interested in having one and so in line with its processes Quilter issued Mr C with an Annual Statement of Costs and Charges along with a letter confirming his wishes to defer the review.

In 2020 Quilter invited Mr C for another review but was unable to get any response from him. Quilter has shown that it tried to contact Mr C five times, but he never responded. I have seen the letters which were correctly addressed, and in the final one sent to him Quilter did say that having tried to contact him five times it won't continue to do so because it didn't want to "bombard" him. This doesn't seem unreasonable to me. I think Quilter made a good attempt to contact Mr C at this point in time but after five attempts with no response I don't think Quilter did anything wrong in not continuing to contact him.

Because Mr C didn't respond to Quilter in 2020 Quilter sent him a combined Annual Statement of Costs and Charges and a Statement of Continue Suitability on 29 January 2020 which included an offer for him to contact Quilter to arrange a review, which wasn't ultimately taken up by him.

In 2023 Quilter tried to arrange another review with Mr C however again he confirmed that he wanted to defer it. So, he was sent a letter confirming this dated 10 January 2023. Quilter appears to have made further attempts to contact Mr C in March and April 2023 but received no response and so issued a combined Annual Statement of Costs and Charges along with a continued suitability letter dated 3 April 2023.

In light of this information I am satisfied that for the three reviews that were missed Quilter acted correctly. It invited Mr C at the correct times for his annual review and on two occasions Mr C actually declined. And in terms of the review scheduled in 2020 I am satisfied that Quilter made reasonable and sufficient attempt to contact Mr C over a period of time.

Contrary to the investigator's assessment of this complaint a business isn't required to provide a review at all costs. Under the FCA's consultation guidance it was recognised that there will be investors who decline reviews or simply don't respond. And in those cases

providing the business had made reasonable and proportionate attempts to contact the investor the annual charges for that review can still be taken. The only point highlighted is that if a consumer doesn't respond or declines a review each year for a period of time, such as three years. In cases like that a business should think about whether the overall service on ongoing advice is appropriate for the investor given they have declined to have a review. However, that isn't something to consider in this case because Mr C didn't defer the reviews each year – in fact he seems to have valued and made use of the reviews that did take place over a significant period of time.

I therefore think that Quilter fulfilled its obligations in relation to conducting the annual reviews. And while three didn't take place Quilter acted correctly in offering the reviews and in attempting to contact Mr C so I don't think it failed to honour its contractual duties which would be the reason why the charges for these particular reviews would be refunded.

Quilter responded to my provisional decision confirming its acceptance of my findings and noting that it believed the suitability aspect of the complaint had been conceded by Mr C's representative following the investigator's assessment.

Neither Mr C or his representative responded to the provisional decision and so haven't provided any comments.

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, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Given neither party has provided any further substantial comments to the provisional decision, I have no reason to depart from my provisional findings. And despite the comment about the suitability aspect of the complaint by Quilter, it is my decision to keep this in my findings for completeness

So for the reasons already set out above I don't uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 September 2025.

Ayshea Khan
Ombudsman