

The complaint

Mrs D has complained about the service she has received from Ascot Lloyd Limited trading as Ascot Lloyd in relation to her Individual Savings Account ("ISA") and Pension holdings. She has said her investments have not been managed correctly or in line with the agreement she signed up to and that despite paying regular ongoing adviser charges (OACs) she has never received the annual reviews of her plans that she had initially agreed to when she took the advice.

What happened

In 2018 Mrs D met with a business called Calculis that was later acquired by Ascot Lloyd. Mrs D had decided to get a review of her finances and pension arrangements following some personal upheaval. At the time she held a pension and ISA elsewhere but was advised by Calculis to transfer both to the Calculis Growth Portfolio. The total transferred was around £309,000 with around £107,000 being invested in the ISA and about £202,000 being invested in the pension plan.

A Suitability Report was created for Mrs D which set out the reasons why the adviser had made this recommendation. This document can no longer be located so I haven't been able to see exactly why she was given this specific advice. However, what I have seen is the cover letter dated 23 February 2018 which accompanied the Suitability Report and this confirmed the following:

- A full value transfer of Mrs D's pension into the Calculis Growth Portfolio via a Collective Retirement account with Old Mutual (now Quilter); and
- A full value transfer of Mrs D's ISA into the Calculis Growth Portfolio via an ISA account with Old Mutual (now Quilter).

The letter also stated that in accepting the advice she would benefit from an actively managed portfolio which would be aligned and re-balanced quarterly to ensure it was well positioned for whatever investment climate applies at the time.

Ascot Lloyd acquired Calculis and its responsibilities around 2020 and in November 2020 it emailed Mrs D to inform her of its proposed changes to its balanced growth, adventurous and ethical portfolios. As these didn't match what Mrs D understood she had invested in she contacted her adviser from Calculis. However, she didn't receive a response. So Mrs D then complained directly to Ascot Lloyd.

In the meantime, Mrs D was contacted by a different adviser from Ascot Lloyd who met with her around the middle of 2023 to review her portfolios. She has told us that during the first meeting it was apparent there was no information on her profile within the Ascot Lloyd system so the adviser didn't know what Mrs D's job, salary, savings etc were. She said it felt that the meeting was conducted as a new discovery meeting and the adviser was unable to provide her with any advice at the time due to having so little details about her investment history. She's also said that the adviser had confirmed the previous adviser had left Ascot Lloyd and clarified that her investments had been effectively abandoned in an obsolete portfolio from the previous company Calculis and were not being managed. The adviser also

offered Mrs D a refund of OACs she had paid between January 2022 and August 2023. When Mrs D complained to Ascot Lloyd she said that since inception of the plans she has paid a 1% service fee for both her ISA and pension plan from 2018 until 2023 but Ascot Lloyd has failed to provide any evidence that it has provided the level of service she had been paying for. And while it has refunded fees paid for the period of January 2022 to August 2023 it hasn't commented on any fees paid before or after this time. She also complained that Ascot Lloyd failed to notify her that the portfolios in which she was invested had changed and she only realised this had happened after reviewing her statements for both the plans.

Mrs D has said that she trusted her adviser wholly throughout the years since the inception of her investments and it was only when she was contacted by a new adviser from Ascot Lloyd who told her that her portfolios had been mismanaged that she became concerned that her entire portfolio for the full length of time has been mismanaged and whether she has received the correct level of service that she has been paying for.

Ascot Lloyd failed to provide its final answer of the complaint within the agreed times and so on 9 February 2024 Mrs D referred her complaint to this service.

In March 2024 Ascot Lloyd then issued its final response to Mrs D's complaint. It acknowledged it had not provided Mrs D with the level of service it should have done since it had acquired Calculis. And it couldn't identify any annual reviews that had taken place between May 2020 and January 2022. So Ascot Lloyd agreed to refund all the OACs for this period – amounting to around £6,000.

However Mrs D was unhappy that not all her complaint issues had been considered by Ascot Lloyd - namely why her investments were not in the portfolios she was told they would be invested in in 2018 and the refund of OACs from before Ascot Lloyd's acquisition of Calculis had taken place and the further fees she had paid from January 2022 to the time she had met with the new advisor. She also had lost all confidence that the level of service she had received had met the expected standard for the entire period. So she continued with her referral of the complaint to this Service where it was assessed by one of our investigators.

As part of his investigation of the complaint the investigator asked Ascot Lloyd for more information surrounding the original advice given to Mrs D in 2018 and whether it had any further paperwork from the time of the sale, reasoning that this hadn't taken place more than six years ago at the time of the investigation so it was reasonable that Ascot Lloyd still held the information. The investigator also asked further questions of Ascot Lloyd in an attempt to determine why Mrs D's funds were not invested in the portfolios stated in the initial suitability cover letter and also whether the portfolios were meant to be actively managed and if so what type of active management was involved.

Unfortunately, Ascot Lloyd didn't respond to the investigator's many requests and has to date failed to provide most of the information and answers to many of the questions. As a result, the investigator made his assessment based on the limited information available and asked in the assessment for Ascot Lloyd to provide the further information if his assumptions were incorrect.

He upheld the complaint finding that Ascot Lloyd should refund all the fees from 2018 to date that Mrs D has paid for ongoing advice because it appears that she had never received an annual review. He also felt that no satisfactory reason had been provided by Ascot Lloyd to justify why Mrs D's funds were not invested in the portfolio initially advised. He speculated this may have been an error which came from the transfer of funds and portfolios when Ascot Lloyd took over from Calculis but as Ascot Lloyd couldn't answer this he felt that there

was no reason as to why there was this anomaly. So for this error he recommended Ascot Lloyd conduct a loss assessment between the two portfolios to see if Mrs D had been disadvantaged by the move of the portfolios.

In terms of whether her funds should have been actively managed, even though the investigator asked Ascot Lloyd what sort of active management should have applied to Mrs D's investments Ascot Lloyd didn't reply, so again in lieu of anything from Ascot Lloyd addressing this query the investigator felt that while the information was limited having looked at the statements of the portfolios there was some indication that some changes were being made to both the balanced and the growth portfolios. And also the percentage of how much of the portfolio was invested in each fund had changed. So he reasoned that this indicated there was some level of active management. However, he suggested that Ascot Lloyd look into this further and provide some clarification to Mrs D. However, overall he felt this indicated poor management of Mrs D's portfolios.

He also felt that it was right to award Mrs D £300 for the distress and inconvenience she had suffered.

I issued a provisional decision in August 2025 where I explained why I felt the complaint should be upheld. An extract is set out below and forms part of this final decision:

There are two main issues that this decision must focus on: the OACs that Mrs D has paid over the years and whether she had in fact received any annual suitability reviews. And how did Mrs D's funds move from the growth portfolio to the balanced portfolio seemingly without any reason or instruction from Mrs D. For ease I will address each of these points separately.

Firstly, however it's important for me to point out that it is disappointing that Ascot Lloyd has failed to keep sufficient records of Mrs D's portfolios and what has happened to them since inception of the plans in 2018. While I appreciate Ascot Lloyd took over the business from Calculis in 2020 I would still expect accurate records of its clients to be kept and well maintained.

It is also disappointing that Ascot Lloyd has failed to provide much of the information this Service has requested from it and has generally failed to be as responsive as it should be. Ascot Lloyd has a duty to interact with this Service when investigating a complaint and in failing to do so the lack of information and responses has made the deciding of this complaint more difficult that it needed to be.

I must also point out that in lieu of any further information from Ascot Lloyd or even a response to the investigator's view I am making my decision based on the evidence, or lack thereof, in front of me.

OACs

In communications from Ascot Lloyd of 20 March 2024 and its final response letter dated 6 March 2024 it agreed to refund the OACs from May 2020 to January 2022 and August 2023 until November 2023 acknowledging that Mrs D didn't receive the level of service she should have done. My understanding is this amount has already been paid to Mrs D.

In terms of the OACs Mrs D paid before Ascot Lloyd had acquired Calculis, despite asking for confirmation of whether Ascot Lloyd took on Calculis' liabilities upon its acquisition Ascot Lloyd hasn't provided a definitive answer to us. However, I have seen an email from Ascot Lloyd to Mrs D dated 20 March 2024 where it stated the following:

We don't hold any information prior to our acquisition of Calculis on our systems, however I was able to contact our office which used to be the Calculis office. A member of staff there still has access to the old Calculis system, and she was able to confirm that there had been no reviews or service from 2018. I will need to contact the provider to find out what fees were paid for that period. Once I have all the information I will inform you of our new total offer.

This offer didn't materialise, and Ascot Lloyd appears not to have mentioned anything further about this specific issue despite us asking it to confirm its position. However, in my view this email infers a liability for Calculis' actions before the acquisition. Therefore, I think it is only fair that Ascot Lloyd honour what was said in this email and do as it suggested.

Overall, I think it's reasonable that Ascot Lloyd refund all of the fees Mrs D has paid from inception of the plans in 2018 to date as Ascot Lloyd has acknowledged that she hasn't ever received any annual reviews or the level of service she had agreed to pay for. The method of how these should be paid to ensure the portfolios haven't lost out is set out below. From the information I have seen I am satisfied that Mrs D has provided clear and legitimate information of all the fees she has paid so I am satisfied that Ascot Lloyd has all this information available to it. If not, it can ask for resubmission of this information from Mrs D when carrying out its calculations.

Fund Management

Ascot Lloyd has not provided any information on this point. However, as detailed earlier in this decision what I do have is the cover letter for the suitability report from 2018 when Mrs D was initially provided with the advice. Again as already set out above this states that Mrs D's funds would be invested in the Calculis Growth Portfolio and that her investment would be actively managed. However, statements from 2018 show that her ISA was in fact invested in the Calculis Balanced portfolio and later statements from around 2020 show the pension seems to have also been moved to the Calculis Balanced Portfolio.

Therefore, it is clear that something changed in terms of Mrs D's investments. Ascot Lloyd can't provide anything that explains why this happened and Mrs D says she wasn't informed of this. I am persuaded by what she has said given she has provided a lot of information in the making of her complaint. So I do think something went wrong with the investments of her monies and this hasn't been justified. Therefore, in my view Ascot Lloyd needs to rectify this. It may be that Mrs D hasn't lost out financially by being in what seems to be the wrong investment funds nevertheless this needs to be determined. While the investigator recommended that Ascot Lloyd go back and review what happened to Mrs D's portfolios to explain this anomaly Ascot Lloyd hasn't provided any explanation. Therefore, taking into account the lack of interaction by Ascot Lloyd, I think it must conduct a loss assessment between the two portfolios to determine whether Mrs D has lost out financially by what appears to be an error on the part of Ascot Lloyd and/or Calculis. The methodology of this and how Ascot Lloyd must rectify any loss Mrs D has suffered is set out in more detail below.

I think its also worth me saying that while the investigator tried to get confirmation from Ascot Lloyd as to what type of active management of Mrs Ds portfolios had been agreed at the outset again no information has been provided by Ascot Lloyd. So based on the information I do have, namely the cover letter for the suitability report mentioned above and statements of her plans I think her portfolios were to be actively managed and rebalanced regularly. However, I am of the view that the type of active management involved here is what I would normally expect of an investment of the type Mrs D has. It would be management of the fund to ensure it remains within its parameters of risk, taking account of external impacts on the markets. I don't believe the active management in this case was something akin to what would be expected under a discretionary fund manager (DFM) service. In any event this aspect doesn't have an impact on my findings or the methodology I have set out below to

redress Mrs D for the errors on the part of Ascot Lloyd.

In addition to carrying out the actions of redress to ensure Mrs D is put back into the position she should have been had she not paid for the non-existent annual reviews and also for the change of portfolios in which she was invested I think Ascot Lloyd must pay her £300 in recognition of the worry and inconvenience she has suffered caused by the fact that she hasn't received the service she was expecting from Ascot Lloyd nor have her investments seem to have been invested in line with what she had been initially advised.

Ascot Lloyd responded to my provisional findings only to say it had no further information or comments to add.

Mrs D responded to the provisional decision accepting it and also clarified which of the OACs had in fact already been refunded by Ascot Lloyd. She confirmed that only the fees for the period January 2022 to December 2022 have been refunded correctly. So the remaining OACs left to pay under my directions in the provisional decision are the fees for the following periods:

- February 2018-April 2020
- May 2020- December 2021
- January 2023- November 2023

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 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 light of the lack of comments from Ascot Lloyd I have no reason to depart from my provisional findings. So I am upholding this complaint for the reasons set out above.

However, taking account of the clarification provided by Mrs D regarding which OACs have already been refunded, as I am persuaded by this I am satisfied that Ascot Lloyd must refund all the OACs Mrs D has paid for the following periods:

- February 2018 - April 2020
- May 2020 - December 2021
- January 2023 - November 2023

Putting things right

For the reasons set out above Ascot Lloyd should do the following:

Refund the OACs taken from Mrs D's portfolio from February 2018 to date, offsetting any fees that have already been refunded for the period of January 2022 to December 2022.

Mrs D has provided details on exactly what fees have been taken, which have been passed on to Ascot Lloyd previously, but if further information is required, it should notify Mrs D as soon as possible. Ascot Lloyd should then do the following:

1. Put Mrs D's pension and ISA into the position they would have been in had the fees from February 2018 onwards not been taken. Mrs D's pension and ISA arrangement would be higher by the value of those fees and any investment returns that those fees would have gone on to benefit from.

Ascot Lloyd should take account of any withdrawals or additions to Mrs D's pension and ISA when carrying out these calculations to ensure the values it's using reflect the actual growth the fee would have received, had it not been deducted.

2. Calculate the notional values of Mrs D's pension and ISA on the basis that the fees to be refunded had not been charged.
 3. Subtract the value calculated in step 1 from the value calculated in step 2. If the answer is negative, there is a gain, and no redress is payable. If the answer is positive Ascot Lloyd should pay the difference between what it's worth and what it would be worth, had the fees not been deducted.
- For Mrs D's pension arrangement, the relevant compensation amount should be paid into her pension plan, to increase its value by the amount of the compensation and any interest. The payment should allow for the effect of charges and any available tax relief. Ascot Lloyd shouldn't pay the compensation into the pension plan if it would conflict with any existing protection or allowance.
 - If Ascot Lloyd is unable to pay the compensation into Mrs D's pension plan, it should pay that amount direct to her. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore, the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Mrs D won't be able to reclaim any of the reduction after compensation is paid.
 - The notional allowance should be calculated using Mrs D's actual or expected marginal rate of tax at their selected retirement age.
 - It's reasonable to assume that Mrs D is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mrs D would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.

In relation to fund management, Ascot Lloyd should do the following:

Liaise with Mrs D and Quilter about the exact dates Mrs D's ISA and Pension were moved into the Calculis Balanced portfolio. As Mrs D has indicated, Ascot Lloyd may need to obtain a letter of authority in order to access this information, given it is no longer the linked advisers on Mrs D's Quilter account. Ascot Lloyd should then conduct the following loss assessment:

- Compare the performance of Mrs D's investments within her pension plan and ISA respectively with that of the notional value of the Calculis Growth Portfolio shown below. If the fair value is greater than the actual value, there is a loss and

compensation is payable. If the actual value is greater than the fair value, no compensation is payable.

- Ascot Lloyd should also add any interest set out below to the compensation payable.
- If there is a loss, Ascot Lloyd should pay this into Mrs D's pension plan and ISA respectively, to increase their values by the amount of the compensation and any interest. The payment should allow for the effect of charges and any available tax relief. Ascot Lloyd shouldn't pay the compensation into the pension plan or ISA if it would conflict with any existing protection or allowance.
- If Ascot Lloyd is unable to pay the compensation into Mrs D's pension plan or ISA, it should pay that amount direct to her. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore, the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid.

This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Mrs D won't be able to reclaim any of the reduction after compensation is paid.

- The notional allowance should be calculated using Mrs D's actual or expected marginal rate of tax at her selected retirement age.
- It's reasonable to assume that Mrs D is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mrs D would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.
- In addition, Ascot Lloyd should pay Mrs D £300 for the distress and inconvenience caused by the loss of service.
- Repay the adviser's fees together with simple interest at 8% a year, from the date the fees were paid to the date of settlement. If the above comparison shows that no compensation is payable, the difference between the actual value and the fair value can be offset against the fees with interest.
- Provide the details of the calculation to Mrs D in a clear, simple format.

Portfolio name	Status	Notional Value	From ("start date")	To ("end date")	Additional interest
Calculis Balanced Portfolio	Still exists and liquid	Calculis Growth Portfolio	Date of investment	Date of settlement	Not applicable

Actual value

This means the actual amount payable from the investment at the end date.

Fair value

This is what the investments would have been worth at the end date had it produced a return using the notional value of the Calculis Growth Portfolio.

Any additional sum paid into the investment should be added to the fair value calculation

from the point in time when it was actually paid in.

Any withdrawal from the Calculis Balanced Portfolio should be deducted from the fair value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if Ascot Lloyd total all those payments and deduct that figure at the end to determine the fair value instead of deducting periodically.

There is guidance on how to carry out calculations available on our website, which can be found by following this link: <https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-investment-complaints>. Alternatively, just type 'compensation for investment complaints' into the search bar on our website: www.financial-ombudsman.org.uk.

My final decision

My final decision is that I uphold this complaint. I direct Ascot Lloyd Limited trading as Ascot Lloyd to perform the redress calculation as set out above and pay Mrs D what is required.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 25 September 2025.

Ayshea Khan
Ombudsman