

The complaint

Mrs D complains, with the help of a professional third party, about the advice and service she has received from St. James's Place Wealth Management Plc ('SJP'). Mrs D says the advice she received to switch pension providers and set up an investment ISA was unsuitable for her. She also says that SJP has failed to provide the ongoing advice she was paying for.

What happened

Mrs D met with SJP in 2013 to discuss her finances, in particular her retirement planning. Notes from the time indicate she was referred to SJP by her business partner. SJP has provided copies of fact find documents it completed across meetings on 17 April and 20 May 2013, recording information about Mrs D's circumstances and objectives.

SJP recorded that Mrs D was 58, in good health, single, with no financial dependents. She was a company director, owning approximately 25% of the company which was her employer. She owned her own home outright, with no mortgage or other liabilities. She had approximately £20,000 in savings and her income exceeded her expenditure each month by approximately £2,500. She aimed to retire around age 65. SJP said that Mrs D had a 'medium' attitude to risk ('ATR').

Mrs D held personal pensions with three different providers. These had a total value of just over £100,000. Mrs D didn't have a workplace pension with her employer, but it was proposing to make lump sum contributions to a pension for her.

SJP said that Mrs D was interested in opening a SJP pension, to receive the lump sum payment from her employer. And it said she was also keen on simplifying and consolidating her pensions. SJP said Mrs D liked the idea of having direct access to an adviser for regular reviews, which was not something her existing providers were able to offer, as she was looking for as much growth as possible to provide for her retirement. Her existing providers, while sending a large amount of written information, only offered general plan details. SJP says that it discussed the option of remaining with her existing pension providers and switching funds but Mrs D would then still have been responsible for reviewing these on an on-going basis, whereas by transferring to SJP, these would be monitored for her by an adviser. So, while she understood a transfer to SJP would result in higher costs, she felt the benefits outweighed this.

SJP wrote to Mrs D on 29 May 2013, recommending that she open an SJP retirement plan in order to receive the lump sum payment from her employer. It noted that the alternative option of a stakeholder pension, wouldn't enable the direct payment of fees and the cost difference was not material. There was a section about ATR and fund selection. This said that Mrs D intended to "*use your contributions to fund for retirement benefits at age 70*" while also noting that Mrs D had confirmed she was a medium risk investor.

SJP sent a further letter to Mrs D on 3 June 2013. This addressed her existing pensions and summarised its recommendation that Mrs D transfer these funds into her SJP retirement plan. It said that Mrs D was particularly keen on SJP's ongoing management and monitoring

of her pension and the transfer met her objectives of consolidating her pensions and would provide access to regular face to face advice and reviews - as SJP also strongly recommended they conduct annual reviews of her circumstances. The suitability report explained that the associated charges and fees were higher for the SJP pension than those charged by her original providers and would mean the new pension would need to outperform the existing policies to provide the same benefits. It also noted that Mrs D would lose the with profits guarantee associated with one of her existing schemes. But it said she was willing to accept this as she believed the SJP pension offered greater growth potential.

It repeated that Mrs D's ATR was medium and that she had confirmed this. It said this meant that she wanted her capital to keep pace with inflation and was comfortable with investments in equities and property, some of which would be overseas. And it said Mrs D realised that there could be significant falls in investments but accepting that risk gave potential to achieve better long-term returns. This report noted she intended to retire at age 65.

Mrs D signed a declaration confirming the contents of the recommendation had been explained to her and she'd fully considered the relevant information, in particular that future performance was not guaranteed.

A further meeting seems to have taken place on 17 June 2013. SJP says that Mrs D was keen to supplement her retirement planning by using her ISA allowance. It said she intended to work until age 70 so would save regularly for over ten years.

Following that meeting, SJP wrote to Mrs D again and recommended that she set up an equity based ISA with SJP and that she make regular contributions of £300 per month, which it said was affordable based on her income surplus of over £2,500 per month. It also recommended that this be reviewed regularly.

I understand all of the recommendations made by SJP were implemented.

In April 2014, SJP wrote to Mrs D summarising a recent discussion about her pension. It said Mrs D was aiming to retire between age 65 and 70. Her employer hadn't yet implemented a workplace pension, although this was planned for 2016. In the meantime, she wanted to make additional pension contributions and SJP recommended that these be paid into the SJP pension.

The next recorded meeting between Mrs D and SJP was in March 2016. A further lump sum contribution to the pension was discussed and SJP issued a letter subsequently, recommending that Mrs D go ahead with this. There was a further meeting in August 2016, where SJP said Mrs D was keen to increase her ISA contributions and it was agreed that she'd start contributing £600 per month.

SJP sent a letter to Mrs D on 10 February 2018, confirming that investments into the ISA would continue to be collected as scheduled during the new tax year. Mrs D wrote to SJP on 19 April 2018, requesting a withdrawal of £10,000 from the ISA.

I've seen a copy of an email SJP sent to Mrs D in May 2019 thanking her for a recent conversation and confirming the discussions. SJP said it had recommended a rebalancing of both the ISA and pension investment portfolios and asked Mrs D to confirm if she was happy with this. It also noted that she intended to provide information about an old pension policy, which SJP would look into for her. The suggested pension fund switches were confirmed to Mrs D in writing several days later. And SJP has also provided evidence that it was indeed sent information by Mrs D about a previous pension – although attempts to trace the policy appear to have been unsuccessful.

SJP has provided a note of a conversation from May 2020. No changes were suggested to either the pension or the ISA. Mrs D said she was going to start contributing to the ISA again once the COVID pandemic had ended. Another conversation took place in November 2020. Mrs D was happy with the ISA and pension performance. It noted she was due to receive state pension in early 2021 and was considering relocating but expected to be able to carry on working if she did so.

I've seen meeting notes for the next review which took place in November 2021. This said Mrs D had recently retired and was drawing state pension but at that time she wasn't looking to draw any funds from her retirement account. She had ceased contributions to the ISA and wasn't looking to restart these. And she'd made some withdrawals from the ISA but wasn't looking to draw any more funds at that time. A follow up letter was sent on 30 November 2021 confirming no changes had been recommended and noting Mrs D's ATR remained 'medium'.

Notes from a discussion on 3 August 2022 say that Mrs D had been using the funds in her SJP ISA for income but was now looking to start drawing benefits from her pension. SJP wrote to Mrs D on 18 August 2022, explaining some of the retirement options she had, such as moving into drawdown and purchasing an annuity.

SJP wrote to Mrs D on 22 September 2022. It said that she wanted to draw £5,000 in tax-free cash and take a regular income from the pension to combine with her state pension and meet her income requirement of £2,500 per month. SJP recommended she begin drawing down the funds she required from the SJP retirement plan.

There was a letter from SJP on 2 August 2023, confirming the most recent annual review discussion. This said that the ISA and pension remained suitable for Mrs D and there were no changes recommended to the level of income she was drawing. SJP did recommend a change to the investments in both products, and that they be moved into managed funds. I understand Mrs D accepted this recommendation.

Mrs D's representatives complained to SJP on her behalf in June 2024. They said Mrs D had not received the ongoing advice she'd paid for and indeed had been charged additional fees. And they said the advice in 2013 was unsuitable. The representative said SJP had not assessed Mrs D's attitude to risk, there was no need for her to switch pension providers and incur the additional costs and she hadn't kept up the ISA contributions so the advice to open it was not suitable or sustainable. The complaint was then referred to our Service.

SJP said it thought some of Mrs D's complaint had been made too late under our rules to be considered. Because this issue remained in dispute I issued a decision in July 2025 setting out which parts of Mrs D's complaint we were able to consider.

In short, we can consider Mrs D's complaint about the suitability of the advice she received from SJP in 2013. And we can consider her complaint about the ongoing service she received from SJP, associated fees and whether this was provided as expected from 5 June 2018 onwards. But Mrs D's complaint about the ongoing service she received prior to 5 June 2018 has been raised too late under the rules governing our service. And as a result, we can't consider that aspect of her complaint.

Turning to the merits of the complaint, one of our Investigator's previously gave their opinion. For the reviews since June 2018, they thought that SJP had largely delivered the service it ought to have, but it didn't appear to have conducted a review of the ISA in 2018 as it should have done, which our Investigator thought ought to have happened after June 2018. So, they recommended that the associated fees charged to the ISA for that missed review be refunded.

In respect of the initial advice, the Investigator was satisfied that SJP had clearly outlined the increased cost in comparison to Mrs D's existing pension. And they thought the reasons for wanting to transfer, despite these additional costs, were valid and the advice was suitable. They also thought the advice to take out the ISA was suitable.

Mrs D's representative did not agree with the Investigator's opinion. As agreement could not be reached, I'll now make a decision on the merits of Mrs D's complaint.

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.

As I've summarised, Mrs D's complaint concerns the suitability of the advice she received from SJP in 2013 and the ongoing review service and whether that was provided as it should have been. For ease of reading this decision, I'll discuss the issues separately.

Suitability of 2013 advice

SJP recorded that Mrs D had contacted it having been referred by her business partner, she was looking at her retirement planning – including a vehicle for contributions from her business – and was looking to achieve growth and simplify her arrangements. It also stated that she liked the idea of working with an adviser and reviewing her pension regularly. This was all stated in the recommendations that were sent to her at the time, and I can't see she disputed anything SJP had said. And I haven't seen anything now that leads me to think this information was inaccurate. Mrs D was 58 and at the time of the advice and while it doesn't appear she intended to access her pension in the short term, she was already over the minimum pension age. I think it's likely she was starting to think more about her retirement provisions and I think it's reasonable she would've wanted to take a more proactive role in her retirement planning.

SJP completed a fact-find to gather information about Mrs D's circumstances and objectives. I'm satisfied the information gathered was relevant and appropriate and again I haven't seen anything that leads me to think it was incorrect. There does appear to have been a bit of uncertainty over Mrs D's intended retirement age – with some documents noting 65 and others 70. But it isn't unreasonable that this may not have been set in stone, and I don't think this discrepancy means the information gathering by SJP was flawed.

SJP assessed Mrs D's ATR as being medium. Mrs D's representative has said they don't think that this was appropriately assessed. But they haven't provided any evidence to support that this was incorrect, other than comments about general trends identified by the regulator without evidence this applies to SJP's actions here and their opinion which is over ten years removed from the advice.

I haven't seen a copy of the risk assessment document completed by SJP that led it to conclude Mrs D's ATR was medium. But I've seen a system note from SJP indicating a risk assessment was completed around the same time as the fact find. I've seen a copy of the fact find – and summarised this above. And I'm satisfied Mrs D was asked for a lot of information about her circumstances. And I think it is more likely than not SJP did ask

questions about Mrs D's ATR and that its assessment of this was based on her answers.

In addition, the suitability report talked about information about risk having been shared with Mrs D and, after discussing her experience and objectives, the parties had agreed with the assessment of her having a medium ATR. And again, I've seen nothing to indicate Mrs D disputed any of the information recorded – those discussions had taken place, she'd been given information about risks or that she'd agreed with the assessment.

Finally, looking at the information recorded about Mrs D's circumstances at the time (such as her not having financial dependents, her significant income surplus each month, not intending to retire for several years, wanting to achieve pension growth) I don't think there is anything which suggests that SJP's assessment of her ATR was unreasonable. So overall, I'm satisfied that on balance SJP likely assessed this fairly.

As I've set out above, following discussions SJP recommended that Mrs D open an SJP retirement account to receive pension contributions from her business, transfer her existing pensions into that account and open an ISA.

SJP's 'Key facts about our services' document, which the suitability report refers to having been shared with Mrs D, explains that it didn't offer products from the whole market, rather a limited range. And I don't think it has acted unfairly by recommending an SJP retirement account and ISA and I believe it was clear with Mrs D about what it could offer.

SJP recommended that Mrs D invest her pension and ISA in managed funds (spread across seven different funds). Its recommendation explained, and I haven't seen anything to dispute this, that these managed funds were consistent with Mrs D's attitude to risk. So, I don't think the recommended investments were unsuitable for Mrs D, based on her ATR.

The information SJP gathered indicated that Mrs D had significant disposable income each month at the time of the advice and that the £300 regular contributions to the ISA were affordable to her. Her representative has referred to Mrs D having since drawn money from the ISA as evidencing that the recommendation was unsuitable. But I don't agree. SJP recorded that Mrs D was interested in an ISA because of the tax efficiency, wanting to save regularly until she retired and to achieve growth. The ISA allowed her to achieve these objectives and provided her with a fund she could access when she chose. Again, the investments were in line with her attitude to risk. And she has ultimately used the ISA for the purpose she intended – having a sum to access as and when she chose. So, I think the advice to open the ISA was suitable.

I also think the advice to open a retirement account with SJP was reasonable. Mrs D's employer, of which she was part owner, was going to make a lump sum pension contribution for her. So, a destination for that was required. SJP said it had considered a stakeholder pension but advice charges could not have been paid directly from this, so would not have benefitted from tax relief. So, it recommended a retirement plan instead. I don't think that advice was unreasonable.

SJP also recommended that Mrs D consolidate her other pensions into the SJP retirement account. It recorded that simplifying her pension arrangements was one of her objectives – which she didn't dispute at the time. And this course of action achieved that aim. At the same time though the costs associated with the retirement account were higher than those of her existing pensions.

SJP explained that the retirement account would incur fees of 1.72% per annum. One of the appendices to the advice illustrated that this was greater than the annual management charges applied by the existing providers and these figures were discussed in the body of

the recommendation. SJP was also clear about the impact of this on Mrs D's pension as it explained that the new pension would have to outperform the existing pensions between 0.33% and 1% to account for the additional costs. I'm satisfied that SJP made this increased cost clear to Mrs D. But making them clear is not enough on its own and I've thought about whether there was a good reason for Mrs D to incur these costs.

One of Mrs D's objectives was growth – or in other words to improve the value of her pension. Higher charges made this more difficult. And I haven't seen evidence of a performance comparison of Mrs D's existing pensions against the proposed retirement plan. So, there doesn't appear to have been evidence supporting that Mrs D *would* be better off financially by transferring. However, I don't think achieving the level of outperformance required was wholly unrealistic – particularly as Mrs D didn't intend to access her pension benefits for several years.

There were also other things recorded that Mrs D wanted to achieve. Simplifying her pension arrangements was one of those things - which transferring the policies to one place accomplished. It could be said that this wasn't something that was essential. But in its recommendation SJP discussed the potential of leaving her existing pensions where they were and either leaving the investments unchanged or making changes with the existing providers. The existing providers couldn't provide advice and Mrs D would've been responsible for managing the pensions and any changes moving forward. Whereas by transferring, she would receive ongoing reviews and advice from SJP. SJP said that this was something that appealed to Mrs D. And I believe it likely did. She'd also been referred to SJP by her business partner, whose opinion she likely valued.

As I've already said, Mrs D was beyond minimum retirement age and approaching retirement. I think it's likely she was looking to take a keener interest in her retirement provisions – as SJP has suggested. I think this is supported by the fact that Mrs D had contacted SJP. The potential for having an ongoing relationship with an adviser in relation to her pension along with regular reviews was likely something that would have appealed to her. And the transfer to SJP offered this.

Taking all of this into account, I think there were valid reasons for Mrs D to want to proceed with the transfer, despite the increased costs – which again SJP made clear. So, in her particular circumstances I don't think the recommendation that she consolidate her pensions into the SJP retirement plan was unreasonable.

Ongoing reviews from 5 June 2018

Illustrations for the pension and ISA set out the cost of SJP's ongoing review service in respect of the products. For the pension this was 0.25% of the pension value each year. For the ISA it was 0.5% per year plus 3% of regular contributions made after the initial advice had been paid for.

The key facts had a section on costs in which it talked about SJP providing ongoing advice to review investments and make sure they remain suitable for a customer. It referred to more information being available about this in a separate "Welcome to St James' Place" brochure. And this explained that the ongoing service would primarily involve holding regular review meetings. The recommendation letter for the pension – which Mrs D signed to say she'd read – explained that the ongoing reviews would involve SJP "*write to you each year on the anniversary of your plan to provide you with an annual statement in respect of your funds so that we can arrange for a review.*"

So, I'm satisfied that the ongoing service in respect of both the ISA and pension were to include an annual review as to whether they remained appropriate for Mrs D. What is in

dispute is whether those reviews took place.

The adviser responsible for managing the relationship with Mrs D changed in September 2018. Internal notes from the new adviser said that, although they had an introductory meeting with Mrs D around that time, they didn't carry out a review in 2018. However, I've seen evidence to show that reviews took place each year from 2019 until the complaint was raised.

I've seen emails following a meeting in May 2019, including an acknowledgement from Mrs D of a discussion and SJP's recommended portfolio rebalancing. So, I'm satisfied that a review took place at that point. And I think the recommendations were more likely than not based on a discussion of Mrs D's up to date circumstances.

SJP has provided evidence of two separate conversations in May and November 2020 about Mrs D's accounts (both the pension and ISA). These indicate up to date information was gathered about Mrs D's circumstances and the subsequent decision not to recommend any changes at that time was based on an assessment of this. I haven't seen a copy of any documents following this up in writing. I'm not sure if a follow up in writing happened – which I do think would have been good practice. But even if there wasn't a written follow up, I don't think this means that the evidence indicating a review having been conducted over the phone should be disregarded.

I've seen a follow up letter for an annual review in November 2021 – a year after the last review conversation took place as well as information recorded via fact find about Mrs D's circumstances. SJP has also provided copies of a fact find and recommendation from 2022 – when the arrangements were reviewed and updated advice was provided. And it has shared contact notes for a virtual meeting that took place in 2023 where updated information was gathered.

I have no reason to doubt the information that has been provided by SJP about these meetings and so, I'm satisfied based on the evidence that has been provided that it carried out annual reviews as it said it would for both Mrs D's pension and ISA from 2019 until the complaint was raised. And as a result, I can't reasonably require it to return the fees charged for these services.

As I've said though, the new adviser has acknowledged that they didn't conduct a review with Mrs D in 2018. SJP has said that the reviews of the pension and ISA would have been due before 5 June 2018 and so fall outside of our jurisdiction. But our Investigator said they thought the review for the ISA was due after 5 June 2018.

In the following years, 2019 onwards, the ISA and pension were reviewed together at the same time. I think that was fair. It also appears that the reviews in effect 'reset' the twelve-month anniversary date in the following years (for example there were two reviews in 2020, one in May and one in November, and the review in 2021 was carried out in November). I also think that was a fair and reasonable approach by SJP in the circumstances. But that was all after 2018.

Prior to 2018 the available information about reviews is more limited. But from the limited information available I can't see that the review of the ISA and pensions were combined. And indeed, they seem to have been kept somewhat separate. For example, in 2016, there were discussions about the pension and a further lump sum employer contribution in around March 2016. There was then a separate discussion which appears to have related to the ISA in August 2016, after which the level of regular contributions was revised.

The information SJP gave at the outset talked about writing to Mrs D on the anniversary of

her plan and conducting a review. And the ISA and pension were opened at different times following separate advice. Like I've said, it appears from 2019 onwards the reviews were combined into one, which I think is fair. But prior to that, they still appear to have been treated separately. And so I think what our Investigator said – that the review dates for the products should be considered separately and that, while the 2018 review for the pension was due before the date we can investigate events from, 5 June 2018, the review for the ISA appears to have been due after this – is fair and reasonable.

The new adviser acknowledged not having conducted a review. And I haven't seen any evidence that the previous adviser conducted a review of the ISA in 2018. So, based on what I've seen, I think SJP failed to provide the service it had agreed to – a review of the ongoing suitability of the ISA for Mrs D – in 2018. And as a result, I think the associated fees for that service should be refunded.

Mrs D's representative has said that, on top of the annual review fees, SJP charged Mrs D separately for its recommendations in 2022, which included moving some of her pension into drawdown to begin drawing benefits. But the information about the annual review service doesn't state that by subscribing to the ongoing reviews Mrs D would be exempt from incurring any further charges for additional advice. I've seen evidence that this fee was made clear to Mrs D and she signed to agree to it when it was charged. And I've not seen anything to suggest this was outside of SJP's usual tariff of charges, applicable to all customers. So, I don't think SJP has done anything wrong by charging this fee.

The representative has also argued that we should make an award for distress and inconvenience, noting that SJP did not provide a final response within the timescale set by the regulator. But at the same time, they have said that Mrs D didn't know she had reason to complain until they discussed this with her. And, although SJP didn't provide a final response letter, this did not prevent the complaint being brought to our Service – something which the representative handled on behalf of Mrs D. So, I don't agree that she had been caused any inconvenience by this. And we are not a regulator, and we do not fine or punish businesses. So, I can't fairly make an award here because of SJP's failure to provide a final response.

Putting things right

As I've explained, I think SJP failed to provide the agreed ongoing review service in respect of Mrs D's ISA for 2018. So, I believe it is fair and reasonable that all fees that were charged and applied in respect of this review (usually being the twelve months' worth of fees prior to the review in question) be refunded.

These amounts should be adjusted for growth had the fees remained in the existing investment funds, from the date the fees were deducted to the date of my final decision.

The compensation amount should be paid into Mrs D's ISA if possible. However, if this is not possible, either because the ISA has since been closed or because it would mean Mrs D exceeded her annual ISA contribution allowance, the compensation should be paid directly to Mrs D as a lump sum.

SJP should also provide details of the calculation to Mrs D in a clear, simple format.

My final decision

For the reasons I've explained, I'm uphold Mrs D's complaint in part.

To put matters right, St. James's Place Wealth Management Plc should compensate Mrs D in line with the steps set out in the 'putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 26 September 2025.

Ben Stoker
Ombudsman