

The complaint

Mr W has complained about the advice he received from DTE Risk and Financial Management Limited trading as DTE Financial Planning ('DTE') to transfer his existing pensions to a self-invested personal pension ('SIPP'). Mr W has also complained about the ongoing advice he's received following the original advice, which he believes has led to a loss to the SIPP.

What happened

Mr W met with DTE in August 2018 and the adviser carried out an assessment of Mr W's circumstances and objectives. A confidential financial review form, which I'll refer to as the fact-find, was completed on 22 August 2018. The fact-find noted that Mr W wanted to review his existing pensions. He had a closed Group Personal Pension ('GPP') and a Flexible Retirement Plan ('FRP'), and a Group Flexible Retirement Plan ('GFRP') that Mr W and his employer were contributing to – all of the pensions were held with Standard Life.

On the same day, Mr W completed a client agreement. This set out the service DTE would provide and noted that the initial advice would be charged at 3%. It also noted that Mr W had chosen the 'Wealth' ongoing financial planning service and this would cost 1%. I will refer to this cost as the ongoing advice charge ('OAC').

The adviser carried out an attitude to risk assessment on 3 September 2018, noting that Mr W was a 'cautious to moderate' investor. Mr W signed this document on 17 October 2018.

On 11 October 2018, DTE issued a suitability report recommending that Mr W transfer the monies held in the GPP and the FRP to a new SIPP with Standard Life and use its cautious to moderate model investment portfolio. In the suitability report issued, DTE noted that this met Mr W's objectives to consolidate his existing pensions, provide flexible benefits, give him access to a wide range of investment funds and allowed him to take advantage of ongoing advice.

Mr W accepted the advice on 17 October 2018 and signed the application for the SIPP on the same day. The SIPP was opened and the transfers were received by 31 October 2018.

In April 2024 Mr W complained to DTE about the advice he'd received. He said after seeing a significant decrease to the value of his pension he had sought an opinion from a new independent financial adviser ('IFA'). Following this review Mr W considered he'd been placed into an unnecessarily expensive and complex arrangement and the investments made had performed poorly, without proper consideration as to whether they were suitable for him. He believed that the pension transferred to the SIPP should have simply been transferred into his existing workplace pension which had lower fees and a wide range of funds, contrary to what was noted in the suitability report. Mr W considered that the advice had been geared towards generating fees for DTE – he'd been advised to transfer to an arrangement that cost three times as much as he'd been paying before. Mr W also queried how the potential performance of the SIPP had been displayed in the suitability report, which he considered to be misleading as it was based on past performance.

Mr W also complained about the level of OAC he'd paid since then – he understood he'd chosen the 'DTE Wealth' service which the documents he had suggested a fee of 0.75% but he was being charged an OAC of 1%. In any event, Mr W said he didn't think he'd received any meaningful advice since 2018.

Following the complaint, Mr W transferred out of the Standard Life SIPP to a new provider.

DTE didn't agree that the advice Mr W had received was unsuitable. At the time of the advice it noted that Mr W had two paid up pensions (the GPP and FRP) and following a takeover of his employer, he became a member of a new GFRP, which he was contributing to. It noted Mr W wanted to review the suitability of the existing arrangements, noting his objective to provide flexible benefits, to receive ongoing advice and to consolidate his existing pensions.

DTE said the SIPP recommended met those needs and gave him access to a wider range of funds and would allow him to benefit from DTE's ongoing review and investment process. DTE explained that while the GPP and the FRP had access to 300+ funds, it did not allow for flexible withdrawals, and the GFRP had access to a limited range of funds. DTE said the costs of the arrangement had been clearly disclosed in the suitability report. It also didn't consider the performance graphs displayed to be misleading.

DTE explained Mr W had agreed to pay OACs of 1% for the wealth service as per the client agreement – it said this fee had been agreed for employees of the company Mr W worked for. DTE said annual reviews had been completed each year except for in 2021. At each review Mr W had completed an attitude to risk assessment, confirmed receipt of the advice and authorised a rebalance of his funds. While DTE rejected Mr W's complaint about the suitability of the advice he received, it made an offer of compensation for the missed review in 2021. DTE offered to return the OAC paid during this year, which was around £1,750, and offered an additional sum to take the total compensation offer to £2,000.

Mr W didn't accept the offer and referred his complaint to the Financial Ombudsman Service. Mr W's IFA is representing him in this complaint but I'll refer to the comments and arguments made as Mr W's.

Mr W said the objectives noted in the suitability report were generic and were copied and pasted into the suitability reports of many of his colleagues. Mr W also noted that even if he wanted to consolidate his pensions, he still only went from three contracts to two, so they weren't consolidated. Mr W still believed the GFRP was a suitable contract to transfer his other pensions to, particularly as it allowed for flexible withdrawals and access to a wide range of funds. Mr W added that he didn't recall signing the suitability report but he likely did so because he trusted the adviser to act in his best interests. Mr W also said that it was unreasonable for DTE to charge employees of his company a higher OAC than standard customers would pay. And he disputed that any of the reviews carried out were meaningful reviews of his circumstances, particularly as no new fact-finds were completed.

DTE provided its file and some additional comments. It explained it considered the real cause of Mr W's dissatisfaction was with the performance of his SIPP (largely between November 2021 and November 2022). It said this was due to external market events beyond its control. DTE added that while it would have been possible to transfer the GPP and FRP into GFRP, this didn't meet with Mr W's objectives to be able to invest in a wider range of funds and it had provided evidence that Mr W's scheme was limited to investing in 19 funds. Mr W also wouldn't have been able to take the ongoing advice service if he'd transferred the pensions into GFRP. While DTE acknowledged the difference between the OAC for employees of Mr W's company was higher than described in its general terms, the charge

was ultimately accepted by Mr W before he agreed to proceed with the advice. It maintained that reviews were carried out appropriately, after assessing Mr W's attitude to risk – this resulted in a change to his risk profile in 2022 and a different investment approach.

Our Investigator initially didn't uphold Mr W's complaint. He thought the advice was suitable for Mr W as by taking the SIPP he was able to consolidate the GPP and FRP and he benefitted from a flexible arrangement, meaning he could make withdrawals in future without having to purchase an annuity. He noted Mr W's concerns over the poor performance but didn't consider this could reasonably be attributed to unsuitable advice. The Investigator also considered that the reviews had been carried out in line with the service described, except for in 2021 and he believed the compensation offered for this was appropriate.

Mr W didn't agree and made the following comments:

- The objectives were generic and there was no need to consolidate the pensions at all, he wasn't struggling to manage them and he'd never thought to switch the investments previously despite having access to over 300 – why would he suddenly require access to 3,000+ funds?
- Flexibility was not required in 2018 so there was no need to change anything. When Mr W required some cash in 2020 he could've taken this from the GFRP.
- He also didn't need to switch plans in order to pay for ongoing advice.
- Mr W's view remained that the switch was enacted to generate fees and DTE took advantage of his inexperience.
- The poor performance prompted a review of the advice; it is not the cause of his complaint.
- Mr W's previous pensions were invested in the Standard Life Managed fund, which saw growth of 31% over the same period; Mr W's loss is in excess of this due to the additional fees incurred.
- The service provided in return for the OAC paid was very limited and also failed to prevent losses.
- An example of this was the advice provided in December 2020 when Mr W took tax-free cash of £25,000. Cash flow modelling was completed for Mr W which showed that his funds would last beyond age 100 because he wouldn't be taking any further income but that simply wasn't true.
- Mr W wasn't being treated fairly by DTE if he was being charged more than a regular client for the same service.

The Investigator maintained that the initial advice was suitable but agreed that it was unreasonable to charge Mr W a 1% OAC for a service that it charged non-employees 0.75%. So, he recommended that the difference in the fee charged (0.25%) each year should be refunded together with a return on those fees in line with the performance of the SIPP from the date they were taken to the date Mr W transferred away from the SIPP and DTE's services. He also recommended that DTE should pay Mr W £200 for the distress caused.

Mr W didn't agree, maintaining the original advice was unsuitable. He also provided evidence that Mr W's GFRP had access to over 300 funds and benefitted from discounted lower charges – the evidence DTE had relied upon didn't relate to Mr W's actual pension. While Mr W welcomed the Investigator's view on the OAC, he maintained that no meaningful service had been provided. It added that no consideration had been given to whether missing the 2021 review had impacted the SIPP value given this was supposed to have taken place during the time Mr W lost the most money. It was also illogical to suggest that there was no change to Mr W's circumstances over the duration of the relationship given Mr W was approaching retirement and his fund had experienced significant losses. DTE hadn't

carried out any assessment of Mr W's income needs in retirement and how the changes to the pension value affected this.

DTE subsequently made an offer to Mr W in line with the Investigator's recommendation, amounting to £3,349, but Mr W rejected this. As no agreement could be reached, the complaint was passed to me to make a decision.

I issued a provisional decision on 28 August 2025. While I thought the advice Mr W had received to consolidate his GPP and FRP to a SIPP was suitable, I didn't think that DTE had provided Mr W with the ongoing advice service he'd paid for in any meaningful way. So, I recommended that DTE should refund the OACs Mr W had paid, plus a return on those fees had they remained invested in line with the performance of the pension. If DTE was unable to obtain information about the performance of Mr W's SIPP, I provided a benchmark to use as an alternative. I said the refund of the OACs plus the return represented the difference between the value of the SIPP transferred and the value it would have been if the OACs hadn't been charged. And I directed DTE to compensate Mr W for the additional lost growth on this difference by adding a return on the compensation sum in line with the same benchmark from the date of the transfer to the date of my final decision.

DTE accepted my provisional decision. Mr W didn't accept my provisional decision and made the following comments:

- There was no immediate need for him to change his pension arrangements; Mr W did not need flexibility at the time or require ongoing advice.
- If there was a need to switch the GPP and FRP then Mr W ought to have been advised to switch these benefits into his employer's GFRP which benefitted from lower charges and had access to over 300 funds.
- Mr W could've paid for ongoing advice out of pocket but the GFRP did facilitate ongoing advice charges – evidence was provided to support this.
- A refund of OACs doesn't put matter right for Mr W – Mr W suffered a significant loss in 2021 which could have been avoided if he'd received a review and changes had been made.
- In some years Mr W achieved a negative return on his SIPP investments so requiring DTE to refund the OACs with the return they would've achieved would have the effect of reducing his refund.

As both parties have provided their responses I'm now in a position to make a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm still upholding this complaint in part for essentially the same reasons I gave in my provisional decision. As such, I've largely repeated my findings below, but I've addressed the comments Mr W made in response to my provisional decision where appropriate.

Suitability of the advice

I've reviewed the information gathered by DTE about Mr W's circumstances, objectives and attitude to risk to consider whether the advice he received to consolidate his paid up pensions to a SIPP was suitable. Mr W describes the objectives as generic and not specific to him. But it strikes me as well that Mr W's objectives are quite undeveloped and/or

underexplored. All that DTE has noted in the fact-find is that Mr W wished to review his existing pensions. However, there is no evidence of any discussion as to what that review was in aim of.

Mr W was aged 54 and as such, was approaching an age where he could start to access his retirement benefits. And, at that age, I would've expected any review of his existing pensions to consider whether they were on track to produce the level of income that Mr W thought he would need to sustain him through his retirement. However, I can't see that any discussion took place about Mr W's expected income needs would be, or how that could be achieved through his existing pensions, the state pension and the pension he was contributing to. All that DTE noted in the suitability report was that DTE's understanding was that Mr and Mrs W's household income covered all of their outgoings. So, it did not seek to understand how their outgoings would be covered in retirement.

In terms of objectives, the suitability report says:

"Aims and objectives

During our meeting we discussed various aspects of your personal and financial situation, and we agreed that at the present time, your main needs and priorities are:

- To review your pensions to see if the existing plans meet your needs and can facilitate your objectives or if a new arrangement would be more suitable, such as a more modern, flexible pension arrangement that has access to flexible benefits and a wider investment choice than your existing pensions.*
- To establish a plan that allows you to take advantage of on-going investment advice, with regular reviews of your investment selection in order to provide potential for greater investment growth.*
- To consolidate your pensions into one contract for ease of administration and to utilise a common investment strategy going forwards.*

At this time you are looking to invest for capital growth with the ultimate aim of providing an income at the time you choose to retire."

It seems to me that the discussion DTE had with Mr W centred on product features and administration rather than actual retirement objectives. The only objective here that I think would actually correlate to a retirement objective is investing for capital growth with the aim of providing an income. But to my mind, at this point in Mr W's life, this objective is rendered meaningless if there is no understanding of the level of income required. And, as I will address later on in my decision, in the absence of a target income, it is difficult to see how any meaningful monitoring can take place as to whether that objective is being achieved thereafter.

That being said, I have to think about whether the recommendation DTE made would've ultimately been suitable for Mr W if DTE had fully understood Mr W's retirement needs and its advice had been complete. And for the reasons I'll explain, I still don't think that the advice Mr W received to transfer his GPP and FRP to a SIPP was unsuitable.

Mr W maintains that he didn't require flexibility when he approached DTE for advice in 2018. But I would've expected a review at this point in Mr W's life to look at how he expected to use his pension in retirement and whether his current arrangements allowed for this. So, if a full discussion had taken place around Mr W's income needs and whether he needed flexibility, I think Mr W would've most likely expressed a need to be able to take tax-free cash in future without committing to taking an income. I say this because I note that Mr W went on to take a tax-free sum in 2020 whilst he was still working and so didn't need to take any

pension income. As such, at the time of the advice, I think Mr W would've at least envisaged that as a possibility in the near future and I'm ultimately persuaded that he would've wanted to have that option. I also think Mr W would've likely expressed a preference to be able to vary the level of income he took depending on his circumstances at the time. This is because Mr W thought he would likely retire at 65 before his state pension became payable at age 67, so he would've likely required a higher income in his first two years of retirement before he started to receive his state pension.

As I understand it, Mr W's existing GPP and FRP were inflexible products, having been established in 2000 and 2007 respectively. So, if Mr W wanted flexibility in how he accessed his pension benefits in retirement, which I think he most likely would have, I think he needed to transfer the monies held in the GPP and the FRP to a product that allowed flexible access, such as a SIPP.

Mr W says that if switching the pensions was required, then DTE ought to have recommended that it switch the benefits held in the GPP and FRP to the active GFRP that Mr W and his employer were contributing to, because it had low charges and access to over 300 investment funds. He says he did not require the SIPP and in any event, this failed to achieve his consolidation objective as it still left him with two pensions to manage. It appears that DTE did not consider the GFRP as an option because it was of the understanding he had access to a very limited range of funds and Mr W required ongoing advice, which DTE understood he could not take and pay for through this pension arrangement.

I've thought about this again carefully, and I've taken account of the new information Mr W provided in response to my provisional decision, but I'm still not persuaded that the SIPP was an unsuitable recommendation. There is still disagreement over the number of funds Mr W could invest in through the GFRP. DTE says this was limited to 19, based on information it received in relation to another employee in 2019. Mr W, however, has provided recent evidence from Standard Life in relation to his GFRP demonstrating that he could invest in over 300 funds. I don't know the number of funds Mr W could invest in through his GFRP in 2018 because I don't think DTE asked for this specific information at the time. But I still don't think the number of funds available to Mr W through the GFRP makes a difference here because I think that Mr W most likely wanted to take ongoing financial advice and, on balance, I'm not persuaded that he could pay for this service through the GFRP.

Mr W disputes that he needed ongoing advice and has said it was agreed he'd be taking this service before DTE even provided its recommendation. I believe he is referring to the fact that the client agreement was signed on 22 August 2018, where it was noted Mr W was taking the Wealth service going forwards for a 1% annual fee, which was before the suitability report was issued in October 2018. But I don't think it is unusual for a business to set out what the services it could provide would cost up front, as this allows consumers to make an informed decision as to whether they wish to proceed with the advice process. Ultimately Mr W would've still had to accept the advice to take the ongoing advice service before the ongoing fees would apply.

Nevertheless, I've considered whether the ongoing advice service was suitable for Mr W. And I do think that the potential for having an ongoing relationship with an adviser in relation to his pension provisions was something that would have appealed to Mr W and, in his circumstances, been considered a benefit. Mr W was 54 and so he was fast approaching the minimum pension age at the time of the advice. And, having sought out the advice, I think it's clear he was starting to think about his pension more, and how this fit in with his retirement needs. Given Mr W's lack of investment experience, I think he would've wanted to have the benefit of knowing that his pension was being 'looked after' on a regular basis as he approached his retirement. And I don't think he would've wanted to pay for this service out of pocket when he could've paid for it using his pension funds through a SIPP.

Mr W says that he didn't need to take a SIPP, he could've paid for ongoing advice through his GFRP and he has provided evidence that the GFRP could have facilitated DTE's ongoing adviser charge. I've reviewed the document provided, which is a copy of Standard Life's Workplace Pension Schemes Questions & Answers and appears to be dated May 2024. The document explains that workplace pensions, including the GFRP, can facilitate ongoing advice charges and that this has been the case since April 2016. I put this to DTE for its comments.

DTE said it acknowledges that a GFRP can facilitate ongoing adviser charges, but it maintains that Standard Life could not have facilitated DTE's ongoing advice charge on Mr W's GFRP. DTE says Standard Life confirmed this to DTE on several occasions, though it can't provide evidence of this from 2018. DTE explains that Mr W's GFRP could only facilitate the adviser charges for the IFA registered to the group pension scheme and DTE confirms that it has never held agency for Mr W's GFRP. And I think this is consistent with a letter that Mr W's current IFA provided dated 21 February 2024. Although it appears to have been redacted, the letter is addressed to Mr W's current IFA and says:

"Thank you for your recent inquiry.

As this is part of a Group Pension Scheme we are therefore unable to change the plan to your Agency at this time. If the member has left this scheme employer and wants to convert this Group Plan to an Individual Personal Pension Plan they can contact us on [telephone number]. The member can then instruct us to appoint a new Financial Advisor for this plan and restart contributions if they wish."

As the letter shows that Mr W's GFRP couldn't facilitate the agency of Mr W's new IFA, I think this shows that Mr W's GFRP could not have facilitated DTE's agency or ongoing advice charges.

I note Mr W's comments that the way the performance of the model portfolio was displayed in the suitability report was misleading, because DTE used the new funds it was intending to invest Mr W's monies in, rather than the performance of the portfolio prior to then. But I don't think it ultimately would have made a difference to things here as I think that the advice to transfer to the SIPP and take DTE's ongoing advice service was suitable. I also think DTE made it clear that past performance was not a guarantee of future performance, and the advice wasn't based on outperforming Mr W's existing plans in any event.

In summary, I'm not persuaded the initial advice was unsuitable. Although the SIPP product and investments costs were marginally higher than Mr W's existing pensions – around 1% compared to 0.82% and 0.72% – it's evident that the higher cost provided him with the ability to take flexible benefits and take ongoing advice. And he was able to consolidate two pensions into one contract, which made it easier for him to understand how his pension was performing.

Performance

I recognise that Mr W has complained about the performance of his pension, but as I've explained above, I think the advice he received was suitable. And I think that the chosen investment portfolio was suitable for his risk appetite. I appreciate that Mr W experienced significant losses, but as Mr W is no doubt aware, since 2020 the markets have been subject to numerous events that have affected investment values in the short-term, such as the covid pandemic, global conflicts, high inflation and interest rates. The high inflation and interest rates experienced in 2022 affected those with lower risk appetites in particular. And I haven't seen any evidence to persuade me that Mr W's losses can be attributed to unsuitable investments made by DTE.

Ongoing advice service

I've said that I think Mr W had a need for ongoing advice, but like the Investigator, I agree that it was unfair for DTE to charge Mr W 1% for a service that it provided to other retail clients for 0.75%. Mr W chose the Wealth service, which was described in the 'Client Agreement – what we do and how we charge' provided to him as follows:

"Ongoing charges

Our ongoing services are optional. If you agree to purchase an ongoing service, unless otherwise agreed, the service will be provided as a follow up to the initial service.

Ongoing service	Ongoing charges
<p><i>DTE Wealth</i></p> <ul style="list-style-type: none"><i>Annual valuation of products under advice by DTE Financial Planning.</i><i>Annual face to face/telephone meeting with a financial adviser.</i><i>Annual assessment of your circumstances, objectives and attitude to risk.</i><i>Rebalance of your investment funds in line with our current asset allocation/fund model.</i>	<p><i>Our annual ongoing charge for this service is 0.75% of the total market value of the investments funds that we manage on your behalf subject to a minimum fee of £750 per annum.</i></p> <ul style="list-style-type: none"><i>For a fund of £40,000, our fee would be our minimum fee = £750 per annum</i><i>For a fund of £100,000 our fee would be 0.75% = £750 per annum</i><i>For a fund of £200,000 our fee would be 0.75% = £1,500 per annum</i> <p><i>Please note that our charges will increase as the value of your investment funds increases.</i></p>

While it is clear that the client agreement Mr W signed stated he would pay 1% for the Wealth service, I do not consider it fair or reasonable for DTE to have charged Mr W more for this service simply because he was employed by a particular company.

Turning to the reviews, Mr W accepts that reviews have been carried out by DTE periodically. But he says he hasn't received any meaningful advice, or consideration of his circumstances or objectives during this time. In particular he points to the lack of fact-finds completed at these reviews – he says it is illogical to suggest that his circumstances hadn't changed in any way since he was first advised by DTE. He also points to the lack of

consideration of how withdrawing £25,000 in tax-free cash in 2020 impacted his retirement, or any analysis of how the loss he experienced in 2022 and 2023 affected his retirement either.

Having carefully considered this point, although I accept that DTE did carry out some of the service it was contracted to provide in return for the OAC, I don't think that the core service was provided and I don't think Mr W derived any meaningful benefit from it. In my view, the core service that Mr W was paying for was the annual assessment of his circumstances, objectives and attitude to risk to ensure the ongoing suitability of the investments. I accept that DTE asked Mr W to complete a new risk assessment questionnaire at each review but I don't think that this has any relevance or meaning unless it is connected with investment objectives. I think DTE established that Mr W was looking for growth, but as I have said above, I think DTE failed to establish what Mr W was hoping to achieve in retirement with that growth. It didn't establish the pension income Mr W required to meet his outgoings, as such, there was no basis for DTE to monitor whether the growth the pension achieved would support his target income.

In my view, all DTE did in return for the OAC was provide the valuations, which showed him whether the pension had increased or decreased, and which Mr W would have received from the SIPP provider anyway. I accept that it also rebalanced the funds in line with Mr W's attitude to risk at each review but I think this would have happened had Mr W remained in his previous arrangements as his pensions were invested in managed funds. In my view, the benefit of Mr W taking the ongoing advice service at this point in his life was to ensure that his arrangements remained suitable for him based on his objectives and circumstances. In failing to establish his retirement objectives at the outset, I don't think DTE was ultimately in a position to assess how his pension met his objectives on an ongoing basis.

I think that the cashflow modelling that DTE produced following Mr W's request to withdraw a tax-free sum of £25,000 in December 2020 clearly demonstrates DTE's failings here. The cashflow modelling showed that Mr W's pension funds would last him beyond age 100; that was the case because DTE didn't build any further withdrawals into the model, as it hadn't ever sought to understand how Mr W would use his pension funds in retirement. In my view this was effectively a meaningless exercise and gave Mr W no insight as to whether his pension provisions would be sufficient to meet his needs.

It's evident that Mr W experienced significant losses in 2022. Given that Mr W was getting closer to his retirement, I would've expected to see some discussion of how these losses could affect his position in retirement in the annual review letter of October 2022. However, although DTE noted that Mr W's risk profile was now 'moderate' – there was no discussion as to how the losses affected Mr W's overall retirement plans. DTE may say that the changes were made following such a discussion, but it seems more likely to me that Mr W was simply open to taking more risk at this stage to try and recoup some of his losses. There is no evidence that DTE considered whether this was suitable for Mr W given his previously lower risk appetite and the fact that he probably had even less capacity for loss at this time given the reduction in the SIPP's value.

Overall, in the particular circumstances of this case, I don't think that DTE provided a meaningful ongoing advice service to Mr W, as a result of its failure to properly establish his retirement objectives when it gave the initial advice. As such, I think DTE should refund the full OACs charged since the arrangement was established, together with a return on those charges from when the fees were taken to the date the ongoing advice service with DTE ceased. I understand that Mr W transferred away from the SIPP to a new provider in 2024. If the OACs hadn't been charged the transfer value would have been higher than it actually was, so, to compensate Mr W for the lost growth on this sum, DTE should also add a return on the compensation sum in line with the benchmark I've set out below.

Mr W has said the redress I've awarded doesn't compensate him for the losses he experienced in 2021, where no review was carried out by DTE whatsoever. But I haven't seen sufficient evidence to persuade me that if a review had taken place at this time that Mr W would've avoided the losses he's complained about. I say this because the review would have taken place around October 2021, and as evidenced by the performance line chart Mr W provided in response to my provisional decision, this pre-dated the events in 2022 which caused significant losses to his funds. I also don't think it is reasonable to compare the losses Mr W experienced in this period with how his previous arrangements or his GFRP performed as there is no evidence to demonstrate that Mr W's funds would've been invested in the same way had changes been made. Ultimately I think the redress I've awarded fairly compensates Mr W for DTE's failings.

Mr W has also questioned how periods of negative returns may impact the redress I have recommended. First and foremost, I have determined that DTE should provide a refund of the OACs charged, but I have also recommended that additional compensation should be provided to reflect any lost growth on the monies had they not been taken from the SIPP. So, where no growth has been achieved in a particular period I would simply expect the refund of the OACs taken during that period to be provided.

Putting things right

My aim is to put Mr W as close as possible to the position he would probably now be in if he hadn't paid OACs from the investments held in his Standard Life SIPP from when DTE starting taking OACs from it to the date of transfer.

DTE should:

- Refund the OACs deducted since the start of its relationship with Mr W to the date Mr W transferred away from the SIPP, plus a return on the fee amounts reflecting any lost growth from the date the fees were paid to the date of the transfer.
- The lost return on the fee amounts should be calculated in line with the actual performance of the SIPP investment over this time.
- If DTE is unable to obtain information about how the investment performed from Standard Life, DTE should use this benchmark – for half the investment: FTSE UK Private Investors Income Total Return Index; for the other half: average rate from fixed rate bonds.
- I've chosen this method because Mr W wanted growth with a small risk to his capital.
- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to his capital.
- The FTSE UK Private Investors Income **Total Return** index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It's a fair measure for someone who was prepared to take some risk to get a higher return.
- I consider that Mr W's risk profile was in between, in the sense that he was prepared to take a small level of risk to attain his investment objectives. So, the 50/50 combination would reasonably put Mr W into that position. It does not mean that Mr W would have invested 50% of his money in a fixed rate bond and 50% in some

kind of index tracker investment. Rather, I consider this a reasonable compromise that broadly reflects the sort of return Mr W could have obtained from investments suited to his objective and risk attitude.

- The refund of the OACs plus the return calculated above represents the difference between the value of the SIPP transferred and the value it would have been if the OACs hadn't been charged. In order to compensate Mr W for the additional lost growth on this difference, DTE should add a return on the compensation sum in line with the benchmark I've set out above from the date of the transfer to the date of my final decision.
- The compensation amount should be paid into Mr W's pension if possible. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension if it would conflict with any existing protection or allowance.
- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr W as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mr W has a remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.
- Provide the details of the calculation to Mr W in a clear, simple format.

Interest

The compensation resulting from this loss assessment must be paid to Mr W or into his pension within 28 days of the date DTE receives notification of Mr W's acceptance of my final decision. Interest must be added to the compensation amount at the rate of 8% per year simple from the date of my final decision to the date of settlement if the compensation isn't paid within 28 days of DTE being notified of Mr W's acceptance of my final decision.

My final decision

For the reasons set out above, I'm upholding Mr W's complaint against DTE Risk and Financial Management Limited and require it to pay compensation as set out above.

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

Hannah Wise
Ombudsman