

The complaint

Mr C has complained about the advice and service provided by Mayfair.

Mayfair were appointed to provide investment advice on a proportion of Mr C's pension funds which were held within his Self-Invested Personal Pension ('SIPP').

Mr C has stated that some of the investments recommended by Mayfair were too high risk and unsuitable, with an additional point raised around the number of trades recommended by Mayfair and the fees these trades incurred.

Mr C has stated that the unsuitable investments and high number of trades on his account have caused financial loss.

What happened

Mr C applied to have Mayfair manage a proportion of the funds within his SIPP in 2019.

The application form signed by Mr C at that time confirmed:

- He was 60 years of age, divorced, with 3 dependents.
- He had pension assets of around £950,000.
- He considered himself to have a "good" understanding of financial and economic affairs.
- He had invested in "major shares" for a period of around 20 years, was looking for capital growth on his investment, and was prepared to take a medium risk approach.

Mr C opted for an advisory service and confirmed he was looking to invest for a period of 10 years. An amount of £500,000 was to be managed by Mayfair with the agreed asset allocation being detailed as:

Low risk

- 20% - investment grade government bonds.
- 2% - cash.

Medium risk

- 48% - global high cap equities (e.g. FTSE 350).
- 15% - investment grade corporate bonds.

High Risk

- 15% - global small cap equities and non-investment grade corporate bonds.

Mr C also confirmed that he did not wish to place any limits on the number of advisory trades recommended each month and signed a 'Rate Card' which confirmed the fees charged by Mayfair for the various types of transaction they may complete on his behalf.

Having become concerned with the losses on his investments held with Mayfair, Mr C registered a complaint in November 2023.

Mayfair issued their complaint response on 7 February 2024. This stated that they believed the investments they recommended were a match to Mr C's agreed attitude to risk ('ATR'), that high-risk investments were intended to be a part of the overall portfolio, and that these high-risk investments were mitigated by lower risk elements contained within the overall portfolio.

Regarding Mr C's complaint about high frequency trading and the fees these trades incurred, Mayfair stated that the number of trades was in line with the agreement between themselves and Mr C, and that the number of trades was increased due to Mr C's withdrawal requests.

Unhappy with the response provided Mr C registered his complaint with this service in March 2024.

Our investigator looked into things and upheld the complaint.

The investigator did not believe there had been an unsuitable number of trades recommended / conducted on Mr C's account. However, having looked at the underlying investments held, the investigator concluded that the overall portfolio had moved away from the agreed asset allocation over an extended period of time, to the point where the portfolio should be considered unsuitable.

Mr C accepted the findings issued however Mayfair remained of the opinion that their advice was suitable.

Our investigator was not minded to change their opinion and as such the case was passed to me.

I initially issued a provisional decision which broadly agreed with the outcome communicated by our investigator. Whilst I did not believe Mayfair had acted unreasonably with regard to the number of trades executed on Mr C's account, I did conclude, based on the evidence available, that the portfolio had moved significantly away from the asset mix agreed at outset, to the point where it could be considered unsuitable.

Given this I went on to provide redress instructions and asked both parties to provide any additional commentary or evidence they wanted taken into consideration before a final decision was issued.

Mr C did not provide any additional commentary and simply stated that he accepted the outcome.

Mayfair remained of the opinion that the portfolio had remained suitable throughout. They provided additional statements showing the fund breakdown of Mr C's account over time and a detailed asset mix showing the blend of cash / bond / equity funds held.

Given this information was not available at the time of my first provisional decision I went on to consider this further and explained:

"In my initial provisional decision, I explained that Mayfair was tasked with providing advice

on around £500,000 of Mr C's pension assets held within his SIPP. They did not provide any pension transfer advice and are not responsible for the suitability of the overall SIPP itself and as such the decision has focussed solely on the suitability of the investment portfolio recommended by Mayfair over time.

Additionally, I would also like to note at the outset that whilst Mr C's original complaint centred around the unsuitability of the higher risk investments (and high frequency trading) recommended by Mayfair, our investigator looked at the suitability of the overall portfolio – not just the suitability of the high-risk investments.

This service does have an inquisitorial remit when considering the complaints referred to us and as such the approach taken by our investigator was reasonable, I have therefore also considered the wider suitability of the overall portfolio when making this decision.

With regard to Mr C's complaint around the frequency of the trades recommended by Mayfair I would note that when setting up the advisory account, Mr C chose not to place any restrictions on the number of trades which could be recommended. Mayfair also took steps to ensure Mr C was fully aware and accepting of the cost of each trade, with 'rate cards' signed by Mr C to confirm this.

Additionally, each trade recommended by Mayfair was emailed to Mr C and not executed until his confirmation of acceptance was received. As such, Mr C would – or should – have been aware of the number of trades being executed on his account. Therefore, in line with the outcome reached by our investigator I am not upholding this element of the complaint.

Neither Mr C nor Mayfair made any additional comments around these points, as such I am not making any changes to the above.

Moving on to the suitability of the portfolio itself, a key point to consider centres around the fact that Mr C agreed to an advisory service with Mayfair. Therefore, whilst Mayfair did seek Mr C's approval for each trade recommended, it remained their responsibility to ensure each trade – and the portfolio overall – was suitable for Mr C based on the ATR and asset mix agreed at outset. The fact that Mr C agreed to each trade before it was made does not absolve Mayfair of its responsibility to ensure the portfolio as a whole remained suitable based on the agreed parameters.

The evidence initially available showed that from June 2021 to June 2023 the portfolio appeared to be overweight in low-risk assets, with these assets making up around 50%, 30%, and 60% of the overall investments held within the portfolio at these statement dates.

Mayfair argued that higher levels of lower risk investments was prudent over these years due to the global issues which had impacted the investment markets at these times (for example the Ukraine conflict and Covid-19). I was not persuaded that these were valid justifications for the portfolio to be out of line with the agreed risk profile for such an extended period.

However, as part of their new submissions to this service Mayfair have provided additional statements showing further detail on the investments held within Mr C's portfolio. These statements also cover the years 2021, 2022, and 2023, albeit on different dates to the initial ones provided. These new statements show the percentage of the overall portfolio held within the low-risk investments as being approximately 29%, 23%, and 23% respectively – broadly in line with the asset mix agreed at outset.

Whilst the initial evidence available seemed to show that Mr C's portfolio had been consistently allowed to hold an unsuitably high level of low-risk investments over the period

between 2021 and 2023, the new evidence provided contradicts this and shows that the portfolio was broadly in line with the agreed mandate. Whilst there may have been times where unusually high levels of low-risk investments were held; these levels were not maintained consistently throughout 2021 – 2023.

Based on this new information, it would be unreasonable for me to maintain the stance previously taken. There is insufficient evidence to show that Mayfair allowed Mr C's portfolio to hold unsuitable high levels of low-risk investments consistently throughout 2021-2023. The evidence now available shows that the portfolio was broadly in line with the mandate agreed at outset, as such it would not be fair for me to uphold this complaint.

As above, I note that the original complaint made by Mr C related to Mayfair recommending high-risk investments that were unsuitable for him. Whilst I agree that it was reasonable for our investigator to use their inquisitorial remit and consider the suitability of the wider portfolio as a whole, to ensure all of Mr C's points are considered in their entirety, I have also considered these investments in isolation.

Mr C held a significant investment portfolio, considered himself to have a good understanding of investment markets, and had invested over a period of 20 years. As such I consider it reasonable to assess Mr C as an experienced investor. In these circumstances limited exposure to high-risk investments can be considered suitable.

The mandate agreed with Mayfair at outset allowed for 15% of the portfolio to be held in high-risk investments. From the evidence available, Mayfair did not breach this limit. Whilst the failure of the high-risk investments recommended by Mayfair would clearly have been disappointing to Mr C, it was a level of risk he had agreed to. Additionally, Mr C had the financial circumstances, and investment experience, to make an informed decision about these investments before they were made. Whilst the high-risk investments ultimately failed, this does not mean Mayfair acted unfairly in recommending them.

Overall, based on the new evidence available, I am not proposing to uphold this complaint. There is no evidence that the portfolio recommended by Mayfair consistently held an unsuitable asset mix and whilst high-risk investments recommended by Mayfair failed, this is not something I can hold them accountable for."

Again, I asked both parties for any final evidence or commentary they wanted me to take into consideration before a final decision was issued. I gave both parties until 21 September 2025 to provide such information.

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.

In response to the commentary above, Mayfair simply confirmed they were happy to accept the updated outcome.

With regard to the complaint points originally made, Mr C stated that he remained of the opinion that during the latter stages of his relationship with Mayfair he believed their focus was on generating commission through investment trades / sales rather than a professional growth strategy.

I believe this issue has been adequately covered above and remain of the opinion Mayfair did not act unreasonably in this regard.

Mr C also noted that he currently still retains investments worth around £4,000, originally recommended by Mayfair, which cannot be sold. I can appreciate that this would be a source of frustration however as I explained above, the inclusion of a small proportion of high risk investments (and the potential for those investments to ultimately fail) as part of a wider investment portfolio is something I have concluded was suitable for Mr C.

As such I am not making any changes to the outcome communicated in my provisional decision and am not upholding this complaint.

My final decision

In line with the commentary above I am not upholding this complaint and require no further action from Mayfair Capital Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 October 2025.

John Rogowski
Ombudsman