

The complaint

Mr R has complained that after transferring a defined benefit ('DB') occupational pension scheme to a self-invested personal pension ('SIPP'), Radcliffe & Company (Life & Pensions) Limited ('R&C') did not provide him with the ongoing advice service which he had paid for.

What happened

Mr R received advice from a pension transfer specialist to partially transfer his DB pension to a SIPP around February/March 2019. R&C provided the advice on how his transferred pension funds should be invested. It recommended that Mr R use the services of a Discretionary Fund Manager ('DFM') to manage his investments and Mr R accepted the advice. Mr R also agreed to take ongoing advice from R&C for which he paid ongoing advice charges ('OACs') of 0.425% per year.

In February 2024 Mr R transferred his SIPP to another provider. He subsequently complained to R&C about the service it had provided since advising him to make the transfer. He said he hadn't had a face-to-face meeting since transferring in 2019 and R&C had failed to consider whether the investment strategy remained suitable for his needs. Mr R noted that he was contacted by R&C in 2021 about a review but he couldn't attend at the time due to a family bereavement but he'd heard nothing since then. He said he had turned age 55 in November 2023 which prompted him to review the relationship with R&C and led to the complaint.

R&C accepted that it had not been in contact with Mr R as per his complaint, but said that it was the DFM's responsibility to make the investment decisions, not R&C. It added that R&C had difficulties providing services during the period of March 2020 to March 2021 due to the covid pandemic. R&C ultimately didn't think that this had led to detriment, particularly as Mr R hadn't sought advice during this time. It added that it would have provided advice to Mr R if he'd requested it when he turned age 55.

However, noting that the service had fallen short, R&C made an offer of £4,063 to be paid into Mr R's pension or a net payment of £3,250 direct to Mr R. It said it had arrived at this figure after taking into account that it charged Mr R a reduced fee when he transferred, a reduced OAC of 0.425% (it usually charged 0.65%) and that the lockdown during the pandemic had affected the service the adviser was able to provide. It also explained that the 0.425% charge paid for things in addition to the adviser's time. Ultimately, the amount it was prepared to pay Mr R represented a 30% refund of the OACs paid.

Mr R didn't accept this, saying that using the pandemic was not an excuse as reviews could have taken place over a video call. He thought a fair resolution was to refund three years of advice fees at 0.425%. Mr R said the charges incurred for the transfer were not relevant.

R&C wasn't prepared to change its offer, noting that Mr R also benefitted from reduced DFM fees as a result of R&C's arrangement. Mr R referred his complaint to the Financial Ombudsman Service.

Our Investigator upheld the complaint. While noting that R&C said the OAC covered a range of services, the Investigator thought that the annual review was the main activity covered by the OAC. And as she didn't think that Mr R had received the main service he'd paid for, it was fair for R&C to refund all of the OACs charged plus the return Mr R would've achieved on those sums had the fees not been taken. The Investigator also recommended that R&C should pay him £150 for the inconvenience caused by the lack of service provided.

Mr R accepted the Investigator's findings but R&C appealed, providing additional information, and made the following points:

- The Investigator's findings were based on a narrow interpretation of what services R&C provided in return for the OACs – the fee paid for many other services other than advice.
- In addition to review meetings, the service offered in return for the OAC included ongoing reporting, investment monitoring and review, contact and administration.
- For example, R&C runs an Investment Management Committee that consists of five members who meet regularly to determine the firm's investment strategy, reviewing existing and new fund management connections for the direct benefit of Mr R and other clients.
- In addition to this R&C would sponsor events where Mr R and other clients could meet the fund managers directly in a less formal setting, so that they could become more aware of what is undertaken on their behalf. Whether or not Mr R attended these events, it was a cost attributable to him as a client of R&C.
- The OACs collected also meet R&C's overall costs and overheads.
- Covid prevented a meeting from taking place in 2020, Mr R declined a meeting in 2021 but R&C accepts that no meetings were offered in 2022 or 2023, though Mr R could've contacted R&C at any time.
- R&C considers a 30% refund of fees charged in 2022 and 2023 is fair and reasonable given the other services that were provided to Mr R. However, it was prepared to increase its offer to a gross amount of £6,126 (£4,900 net) representing a 30% refund of the fees collected between April 2021 and December 2023.

The Investigator wasn't persuaded to change her view so the complaint was referred to me.

I issued a provisional decision on 3 September 2025, upholding the complaint. In summary, I said I thought the core service Mr R was paying for in return for the OAC was an annual review of his pension investment portfolio to ensure that it remained suitable for him. And I hadn't seen any evidence to persuade me that R&C carried out any of the annual reviews due since the original advice was provided in 2019. To compensate Mr R for this I recommended that R&C should refund the OACs charged since the ongoing advice arrangement was established, together with a return on those charges in line with the investment performance from when the fees were taken to the date the ongoing advice service with R&C ceased. I noted Mr R had transferred away from the SIPP to a new provider in 2024. And if the OACs hadn't been charged, the transfer value would have been higher than it actually was, so, to compensate Mr R for the lost growth on this sum, I said R&C should also add a return on the compensation sum in line with a benchmark. I also recommended R&C should pay Mr R £150 for the distress and inconvenience caused.

Mr R accepted my provisional decision. R&C didn't accept it, maintaining that a review had been provided in 2021. It also didn't agree that it was fair to disregard the role OACs had in meeting the company's costs. R&C added that it expected to be able to pay the compensation directly to Mr R's pension, and as Mr R was an additional rate taxpayer, it would be able to utilise the tax relief available to him at that rate. R&C said Mr R would need to cooperate with it and provide information in respect of his income and pension so that it

could carry out the necessary calculations and take account of any annual allowance limitations.

As both parties have responded, I'm now providing my final decision on the matter.

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 it. I'll explain why.

The nature of the ongoing service R&C provided in return for the OACs

While R&C doesn't dispute that it did not provide Mr R with annual reviews in some years, it fundamentally disagrees that missing the annual review would result in a full return of the OAC paid for that year. R&C says that the ongoing service for which Mr R pays an OAC covers a range of services, many of which were provided or made available to Mr R. For this reason, it has offered a refund which represents 30% of the OACs Mr R paid between April 2021 and December 2023.

I would usually expect the original recommendation letter sent to Mr R to set out in full the service that R&C would be providing to him on an ongoing basis, including the frequency of any reviews and the associated cost. In response to my provisional decision, R&C clarified that the recommendation letter only covered the original investment advice. As such, I've looked at the other documents sent to us to understand the service being provided to Mr R in return for the OAC and what it sought to achieve.

I've carefully considered R&C's point about the services it says the OAC covered, but I'm not persuaded that it is fair or reasonable for R&C to retain the OAC where the annual review has not been provided. I say this because I consider the annual review to be the core service covered by the OAC.

R&C provided us with the 'Key Facts about our services and costs' document dated January 2016. It says:

"Ongoing advised services

There will be an additional charge for any ongoing work, such as periodic or ongoing reviews we carry out on your behalf. We will confirm the rate, frequency and length of any ongoing service(s) before commencing that ongoing service.

Ongoing services offered:

- *Ongoing meetings*
- *Reporting*
- *Investment Management*
- *Contact*
- *Administration*
- *Professional services*

More details on the services we offer will be provided separately in our client service proposition.

We have a range of ongoing services we can provide to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances. The frequency of the charge will depend on the service you choose and is usually made by deduction of a fixed percentage from the contract by the product provider at an interval agreed with you. Ask your adviser for more details and in any event this arrangement will be confirmed to you in the signed 'services and payment agreement'."

I think that a key point established in this document is that R&C provided a range of ongoing services to ensure the customer's personal recommendation was reviewed frequently and remained relevant to their changing circumstances. I appreciate that R&C has used the word 'relevant' rather than 'suitable'. But in my view, if the service taken by a customer is being described as an 'ongoing advice service', as it was here, then ensuring a recommendation remains 'relevant' can only reasonably be interpreted as the ensuring the recommendation remains suitable for them. So, I think this document ultimately sets the expectation that when the review meetings are conducted, the customer's circumstances would be considered and R&C would ensure that the personal recommendation (in Mr R's case, the investment recommendations) remained suitable for them.

The document referred to the 'client service proposition' and the 'services and payment agreement' for further details. According to the 'Services and payment agreement' agreed between Mr R and R&C at the time of the advice in 2019, Mr R had taken the ongoing service which was set out as follows:

"Ongoing service(s)

Advised Service

Following our initial services, you have asked us to provide ongoing services as part of our advised service offering.

You have selected to receive the following ongoing service level: 'Aviation'

Exact details of our ongoing service proposition can be found within our Radcliffe & Co Service proposition summary document.

These services will relate to: your pension investment portfolio."

I think it is important to note here that the ongoing service selected is described first and foremost as the 'Advised Service'. Again, there is reference to a 'service proposition' document.

We asked R&C to provide us with the Aviation service proposition document, which, (as per the above) sets out the exact details of the ongoing service proposition that Mr R had agreed to, but R&C says it has been unable to find this. R&C has, however, provided a copy of a document entitled the 'Airways Service Commitment'. It says the Aviation service would have been as detailed in this document.

I've reviewed this document but I'm not persuaded that this specifically relates to the ongoing service that Mr R had specifically agreed to take in relation to his investment portfolio. First, I note that the document is dated January 2016, which is around three years before Mr R first took advice from R&C. There is also no reference to the costs involved with the service. Furthermore, the document lists a range of services that I would expect would involve separate costs to an ongoing advice cost. For example, it lists 'The Portfolio Management Service' which included portfolio monitoring and reweighting of asset allocation; this would undoubtedly attract an additional charge specific to portfolio

management. Indeed, as I understand it, Mr R did take a portfolio management service through Brewin Dolphin and he was paying this business separate fees for those services.

In my view, this document appears to be more of a general guide as to the services and commitments R&C could offer to those in the aviation industry rather than the service it would provide to clients specifically in return for the OAC. Mr R had taken the Aviation service in relation to his pension investment portfolio and I don't think the document R&C has provided is sufficiently specific to Mr R's circumstances so as to convince me that this is the service R&C had agreed to provide him in return for the OAC.

Instead, it seems to me that the service R&C would provide Mr R in return for the OAC would most likely align with the services set out in the 'Our costs and services' document dated October 2019 which R&C originally sent us. This set out that there were three different levels of 'Ongoing Advice Charges'; 'Premium', 'Classic' and 'Value', for which a different fee percentage would be payable. And I note that the services R&C said it had provided to Mr R in response to the Investigator's view closely reflects the list of services provided under the Premium service.

The Premium service included all of the services listed in the document, whereas the Value service only included a review, the newsletter and online access. So, despite the range of services offered, in my view the core service that R&C provided in return for the OAC in all of the service levels was a review. And significantly, there was no option to take an ongoing service that did not include a review. So, I think this evidences that the core service that Mr R was paying an OAC for was the annual review. And I've said above, I think it would've been understood by a customer that the aim of the review was to provide advice on whether the recommendation remained suitable for them in light of their changing circumstances. As such, if the annual review was not performed then I don't think the core service the customer was paying for had been provided and it would be fair and reasonable to return the OACs charged for that year.

I've reconsidered what R&C has said about the OACs effectively funding the company's overheads. I appreciate that OACs collected from customers undoubtedly form part of the company's income stream and pay for its running costs, but Mr R agreed to pay the OAC in return for an ongoing advice service, the core part of which was the annual review. Mr R did not have to take the ongoing advice service in order to transfer his pension, and he would not have agreed to take it out if he wasn't going to receive the service promised. I remain of the view that if the annual reviews weren't provided, then it is fair for R&C to return those charges.

I also don't think that any discounts R&C may have secured for Mr R has any bearing on whether the OACs should be refunded or not. The key consideration is whether the service Mr R paid for had been delivered or not.

The annual reviews that took place

Mr R says that he didn't receive any annual reviews following the advice in 2019, whereas R&C has only accepted that the reviews were not provided after 2021, resulting in the offer to return a percentage of the OACs paid since April 2021. It said the first annual review was due by March 2020 and by March each year thereafter. R&C said it was unable to provide the first review due to the impact of the covid pandemic on operations.

I appreciate that the covid pandemic presented difficulties for firms providing their services to customers, particularly where the service would usually include face-to-face meetings. And I note that Mr R's first review would've been due around the time the first 'lockdown' was implemented in March 2020. However, after allowing some time to adjust, I would've

expected R&C to offer customers a video or telephone call instead. And I haven't seen any evidence to satisfy me that it offered this to Mr R so that his first annual review could take place. Overall, I don't think that the impact of the covid pandemic excuses R&C from not carrying out the annual review in this year.

I've considered the evidence R&C has provided in relation to the review offered in February 2021. R&C describes the exchange in February 2021 as Mr R declining the annual review, noting that Mr R would contact R&C. However, it is clear from the email exchange that Mr R explained he was going through a difficult time with his family, including a bereavement and significant ill-health. Mr R said that he would like to arrange a call but asked if it could be moved until later next month. He asked R&C to bear with him and he would see if he could find a suitable date next month. The email chain shows that the review date had been changed to the end of March.

It appears Mr R didn't get back in touch with R&C to arrange a suitable date; this is understandable given the circumstances and I don't think it would be fair to penalise Mr R for this in light of the personal issues he was dealing with. I haven't seen any evidence to suggest that R&C tried to contact Mr R again to rearrange the meeting. R&C may have been trying to give Mr R some space given his circumstances, but it seems to me that after not hearing from Mr R in March it effectively treated the review as having been declined.

I appreciate that R&C provided Mr R with a document entitled 'Investment Progress Review' in the first email it sent in February 2021 inviting him to the review. This document said:

"As part of our ongoing service to you, this review tracks the performance of your portfolio against your agreed objectives and selected risk profile. This allows us to confirm if you are on course to meet your financial goals – and whether your current investment strategy is still appropriate to your circumstances and appetite for risk."

So, R&C says that the review was provided. But I don't think it is fair to say that a review of this nature could be completed without Mr R's input, particularly as it hadn't sought to understand his current circumstances or attitude to risk since providing the original advice in 2019. I still think it was incumbent on R&C to contact Mr R again in March 2021 to try to arrange the meeting, particularly as Mr R had clearly stated that he wanted to arrange a call, which could've indicated a change in circumstances. As such, I don't think R&C can fairly say that it offered to provide the service Mr R was paying for but he'd declined it, such that it was reasonable for R&C to retain the OAC for this year.

R&C says that it would've provided Mr R with advice as and when he needed it, but he didn't contact R&C until he made his complaint. I appreciate that R&C would've responded to any requests, but the annual review wasn't a service that ought to have needed to be requested. It was a service that Mr R was paying for throughout the year and was due by a certain time – I think any customer paying for such a service would expect that service to be delivered proactively. Overall, I don't think that R&C carried out any annual reviews with Mr R following the implementation of the original advice in 2019.

Summary

I think that the core service that Mr R was paying for in return for the OAC was an annual review of his pension investment portfolio to ensure that it remained suitable for him. I haven't yet seen any evidence to persuade me that R&C carried out any of the annual reviews due since the original advice was provided in 2019. As such, I think that R&C should refund the OACs charged since the ongoing advice arrangement was established, together with a return on those charges in line with the investment performance from when the fees were taken to the date the ongoing advice service with R&C ceased.

I understand that Mr R 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 R for the lost growth on this sum, R&C should also add a return on the compensation sum in line with the benchmark I've set out below.

R&C has made some representations about the information it would need in order to calculate and pay compensation. And I would expect Mr R to comply with any request for information that is needed to complete the calculation.

R&C says that it expects to be able to pay the compensation into Mr R's pension but it should ensure that this doesn't breach any allowances. Mr R explained in his complaint letter to R&C that he took his pension commencement lump sum when he reached age 55 and he started drawing his remaining DB pension, so it seems likely that the money purchase allowance has been triggered and so R&C should bear this in mind. In any event, if R&C is able to pay the compensation into Mr R's pension, it should ensure that the total amount received into the pension, including any tax relief, totals the compensation due as calculated below.

Putting things right

My aim is to put Mr R 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 SIPP from when R&C starting taking OACs from it to the date of transfer.

R&C should:

- Refund the OACs deducted since the start of its relationship with Mr R to the date Mr R transferred away from the SIPP, plus a return on the fee amounts 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 R&C is unable to obtain information about how the investment performed, R&C should use this benchmark – FTSE UK Private Investors Income Total Return Index.
- I've chosen this method because the FTSE UK Private Investors Income Total Return Index is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It is reasonable proxy for the type of return that could have been achieved over the period in question.
- 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 R for the additional lost

growth on this difference, R&C should add a return on this compensation sum in line with the benchmark I've set out above from the date of the transfer away from the SIPP to the date of my final decision.

- The compensation amount should be paid into Mr R'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 R as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mr R 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 R in a clear, simple format.
- Pay Mr R £150 for the distress and inconvenience caused by R&C's failure to provide annual reviews. I think the failure to provide the service led to Mr R losing faith in R&C and he ultimately felt the need to change providers, which would've caused inconvenience at a time when he was concerned about the investment performance.

Interest

The compensation resulting from this loss assessment must be paid to Mr R or into his pension within 28 days of the date R&C receives notification of Mr R'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 R&C being notified of Mr R's acceptance of my final decision.

My final decision

For the reasons set out above, I'm upholding Mr R's complaint against Radcliffe & Company (Life & Pensions) Limited and require it to pay compensation to Mr R as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 October 2025.

Hannah Wise
Ombudsman