

The complaint

Ms B 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 ('SJPWM'). Ms B says the advice she received to open a unit trust and investment ISA in 2014 was unsuitable for her. She also says that SJPWM has failed to provide the ongoing service she paid for.

What happened

SJPWM has provided a copy of a fact find, indicating one of its 'partners' first met with Ms B on 16 September 2014 to discuss her circumstances and objectives. It noted Ms B had approached SJPWM having previously attended a SJPWM seminar, through her former employer.

SJPWM recorded that Ms B was 52 and retired. She'd retired due to a medical condition but was now in good health. She owned her own home, wasn't recorded as having any outstanding debts or liabilities and her monthly income, from her pension, was recorded as exceeding her expenditure. Ms B had approximately £174,000 in savings, primarily comprised of tax-free cash she received from her pension when she retired. SJPWM said Ms B wanted to invest £100,000 of this money (with the remainder being retained in savings as an emergency fund) in a tax efficient manner, to achieve good potential growth. It noted that she didn't have any previous investment experience, but her attitude to risk ('ATR') was assessed as medium – with SJPWM noting she wanted to generate growth and didn't require an income from these funds.

SJPWM wrote to Ms B on 6 October 2014, to provide its recommendation. It recommended that she open an investment ISA and invest the maximum allowance for that financial year (£15,000). It also recommended that she open a unit trust and invest the remaining £85,000 into that account. The unit trust was linked to the ISA and would provide an automatic facility to move the maximum possible amount to the ISA each tax year. The provider for both products was St James's Place (part of the same group as SJPWM but a separate business). And SJPWM said Ms B liked the idea of having access to its approach to investment management as the fund managers would be pro-active. SJPWM confirmed it considered Ms B's ATR to be medium, and it recommended she invest both accounts in a balanced portfolio, that it said was suitable for her ATR.

The recommendation letter said SJPWM had provided Ms B with an illustration for both accounts, as well as a terms of business, key facts about services and charges and supplementary information about the unit trust and ISA.

Both of the illustrations contained a section about cost. This started by saying “Our advice is not free”. They then set out the monetary cost for the initial recommendation. And both then went on to say *“The cost covers all of our expenses incurred in providing, checking and guaranteeing your advice. The remuneration of your Partner is only one element of this cost, from which they meet their own business expenses. We will also provide you with ongoing advice to review your investment and ensure it remains appropriate, as set out in the “Welcome to St James’s Place” brochure provided by your Partner. The fee for this is 0.5% of your investment each year. It is paid for by deduction from the value of your investment and so will increase as your investment grows.”*

SJPWM’s ‘key facts about our services and costs’ document repeated that the cost of ongoing services was 0.5% per year. It again said the details of its ongoing advice service were set out in the “Welcome to St James’s Place” brochure, which would be provided by Ms B’s adviser. Ms B signed a declaration on 8 October 2014 confirming she’d understood the information in this document.

The ‘Welcome to St James’ Place’ brochure which I’ve seen a copy of had a section called “Our Ongoing relationship”. This mentions SJPWM producing annual valuation reports. When it came to review meetings with the relevant SJPWM partner, it said these meetings would be “regular” but didn’t specify the frequency. The document went on to say *“Whatever the frequency of the regular contact with your Partner, you should feel free to contact them at any time to discuss any aspect of your investment.”*

SJPWM’s notes indicate it met with Ms B again on 10 October 2014 to discuss the recommendation and she confirmed that she wanted to proceed.

SJPWM has provided a system note which said a review was completed in January 2016. No other supporting documents are available in relation to this.

SJPWM then wrote to Ms B on 25 April 2018, thanking her for a discussion earlier that day. It said they’d looked at her existing investments and Ms B had been pleased with how these had performed, and she didn’t wish to make any changes. It also said there had been no real change in her personal circumstances.

SJPWM says that Ms B’s unit trust was surrendered in June 2018 and her ISA in January 2020.

Ms B’s representatives complained to SJPWM on her behalf on 28 March 2024. They said the advice provided to Ms B in 2014 was unsuitable – they believed the Ms B’s ATR was lower than SJPWM had said because of her inexperience and that the investments had been too risky. They also complained that Ms B had been charged ongoing service fees but hadn’t received the agreed service. The representative also argued that these were excessive and didn’t reflect the value of the ongoing service, which they also said hadn’t been properly explained.

SJPWM said it thought some of Ms B’s complaint had been made too late to be considered under our rules and was therefore “time barred”. It said her complaint about the advice she’d received was not time barred. But it thought her complaint about not having received an ongoing service prior to six years before the date of complaint was not something we could consider. In respect of the initial advice, SJPWM said that it considered that this was suitable. SJPWM also said that it believed a review had taken place in 2018 but accepted that one had not been conducted in 2019, with Ms B ceasing to be a customer from January 2020. As a result, it offered to refund the fees applied to Ms B’s investments for the ongoing service (primarily regular reviews) in 2019 which wasn’t conducted, plus interest at 8% and to pay Ms B £150 for any distress caused.

Ms B's representative asked our Service to consider the complaint.

I issued a decision in November 2025 addressing which parts of Ms B's complaint we could consider. I found that we could consider all of the issues Ms B had raised – the suitability of the advice (which SJPWM had consented to) and whether ongoing services were correctly provided from 2014 onwards. In short, I didn't think the information provided to Ms B when she agreed to the ongoing service made it sufficiently clear that reviews ought to have taken place annually. Rather SJPWM seemed to have just referred to these being 'regular'. And so as there seemed to have been a review in 2016 and 2018, I thought it was reasonable Ms B may have believed these to have been 'regular'. So, I didn't think there was enough information to suggest Ms B should've been aware of having cause to complain more than three years before she did so.

Both parties accepted what I'd said about our jurisdiction to consider the complaint. So, I went on to look at the merits. I issued a provisional decision in January 2026 explaining that I thought Ms B's complaint should be upheld. Below are extracts from my provisional findings, explaining why, which form part of my final decision.

There are essentially two parts to Ms B's complaint – the first about the suitability of the advice she has received from SJPWM in 2014 and the second about the ongoing service from SJPWM, the fees incurred and whether this was provided as it should've been. For ease of reading this decision, I'll address these two issues separately.

The suitability of the advice from SJPWM in 2014

I've taken into account all of the evidence and everything that has been said by Ms B and her representative. But I think it's worth noting the comments in the complaint have been made over ten years after the advice. And I think it is also worth just clarifying that, when deciding on balance of probabilities what I think, I've placed greater weight on the evidence from the point of sale. This is because I think that information is likely to better reflect the circumstances at the time.

The fact find recorded that Ms B's objective when taking advice was to invest funds she held in savings in a tax efficient manner, achieving good growth so as not to be eroded by inflation.

I haven't seen anything that leads me to think that objective wasn't accurate. And based on Ms B's circumstances at the time – income exceeding expenditure on a monthly basis, no outstanding liabilities and having a substantial sum in savings at the time (approximately £174,000) - I think this was a reasonable and realistic objective.

Ms B's representative has said that she had no previous investment experience. And they have said that this meant that Ms B did not have a medium ATR, as assessed by SJPWM.

SJPWM noted Ms B didn't have a great deal of investment experience when completing its information gathering. But just because Ms B was an inexperienced investor doesn't mean she could not have a medium ATR. And I think her circumstances meant she had sufficient capacity for loss and was in a position to take some risks with some of her savings as she wasn't reliant on those savings to meet her outgoings each month and intended to retain over 40% of her savings as an emergency fund. So, based on the information provided to SJPWM at the time, I don't think the evidence supports that it made an error by classifying Ms B as having a medium ATR. And the information I've been provided indicates that the investment portfolio SJPWM recommended was in line with her ATR.

Using Ms B's annual ISA allowance in 2014 and over the following several years, through transfers from the unit trust, met her objective of investing in a tax efficient manner. And an investment ISA and unit trust offered the potential of better returns than deposit-based savings.

Ms B's representatives have also said that SJPWM did not act in her best interests by only recommending products from St James' Place rather than the whole market. But the recommendation confirmed that SJPWM had provided Ms B with a key facts document about its services. I can't see that Ms B disputed receiving this at the time. And this document was clear that SJPWM offered restricted advice – only offering products from a limited sample of companies, not the whole market. So, I'm satisfied this restriction was made clear to Ms B before she agreed to the advice. And I don't agree that this means the advice was unsuitable. I'm also satisfied that the relevant costs were disclosed to Ms B, through the product illustrations.

Taking all of this into account, I'm satisfied SJPWM's recommendation was suitable for Ms B.

Ongoing charges and service

In 2014, the FCA produced guidance in the form of a factsheet titled "For Investment advisers - Setting out what we require from advisers on how they charge their clients". The factsheet said:

"Ongoing charges should only be levied where a consumer is paying for ongoing service, such as a performance review of their investments, or where the product is a regular payment one. If you are providing an ongoing service, you should clearly confirm the details of the ongoing service, any associated charges and how the client can cancel it. This can be written or orally disclosed. You must ensure you have robust systems and controls in place to make sure your clients receive the ongoing service you have committed to."

The factsheet didn't mark a change to the rules firms like SJPWM were already expected to follow. Rather it re-enforced or reminded firms of the standards already in place when providing on-going advice services, which were covered in COBS.

COBS 6.1A.22 says:

"A firm must not use an adviser charge which is structured to be payable by the retail client over a period of time unless (1) or (2) applies:

- (1) the adviser charge is in respect of an ongoing service for the provision of personal recommendations or related services and:
 - (a) the firm has disclosed that service along with the adviser charge; and*
 - (b) the retail client is provided with a right to cancel the ongoing service, which must be reasonable in all the circumstances, without penalty and without requiring the retail client to give any reason; or**
- (2) the adviser charge relates to a retail investment product or a pension transfer, pension conversion or pension opt-out or arrangement with an operator of an electronic system in relation to lending for which an instruction from the retail client for regular payments is in place and the firm has disclosed that no ongoing personal recommendations or service will be provided."*

The recommendation from SJPWM did not refer to the ongoing advice service. The illustrations for the unit trust and ISA and the key facts about SJPWM's costs and services did provide some information about the ongoing advice service. They all explained that the cost was 0.5% annually of the value of Ms B's investments. But the structure of the ongoing advice service and what it entailed was again not explained in those documents. Rather the documents said details of the service were set out in the 'Welcome to St James' Place' brochure.

The 'Welcome to St James' Place' brochure said the SJPWM partner would discuss "...the level of ongoing service you would like. Primarily this will involve holding regular review meetings...". So, I'm satisfied that the core part of the ongoing service SJPWM was to provide was to hold regular review meetings, which I think should have included reviewing Ms B's circumstances and whether the products she held still met her needs and were suitable for her. But the document didn't make it clear what frequency 'regular' meetings referred to.

In response to the complaint though, SJPWM said that a review took place in 2018 but went on to acknowledge one was not conducted in 2019 but should have been and offered redress in respect of that review being missed. So, it seems to have accepted that reviews ought to have been conducted annually – which I think was always likely the intention.

The recommendation was provided in October 2014, meaning annual reviews ought to have taken place in 2015, 2016, 2017, 2018 and 2019, around a similar time each year. And Ms B paid fees for these reviews. Ms B had surrendered both of her investment products, which SJPWM was providing her ongoing advice on, by January 2020. So, a review would not have been required in 2020.

SJPWM has provided a copy of a letter it sent to Ms B in April 2018. This said it was in follow up to a recent meeting confirming what had been discussed and that Ms B had been pleased with her investment performance to that point and SJPWM didn't recommend any changes.

I'm satisfied, based on this letter, that on balance a review meeting did likely take place, shortly prior to this being sent. And although several months before the anniversary of the initial advice, I think it would be reasonable to consider this as having represented the review due in 2018.

As I've said, SJPWM has also provided a system note indicating a 'Yearly Review' was carried out in January 2016 and that the next review was therefore due the following year. I haven't seen any accompanying evidence – such as a fact find having been completed or a summary letter having been sent to Ms B. But, as I noted in my decision regarding jurisdiction (and which the outcome was partially informed by), in the specific circumstances of Ms B's complaint, I think it's fair on balance to assume that a review was conducted in early 2016 – even though I'd normally expect to see more supporting evidence. I also think again, even though this was not at the anniversary date of the original advice, it'd be reasonable to consider this as representing the 2016 review.

So, I think SJPWM has likely provided the annual service which it agreed to for 2016 and 2018.

However, I've seen no evidence of annual reviews having been conducted by SJPWM in 2015, 2017 or 2019 – and indeed SJPWM has already acknowledged the 2019 review did not occur. Nor have I seen any evidence of attempts being made by SJPWM to contact Ms B during those years or of reviews being offered but declined. So, SJPWM does not appear to have provided the agreed services in those years.

As a result, I think SJPWM should refund the fees Ms B paid for annual services in 2015, 2017 and 2019, as these were not received. And, while a review ultimately did not fall due in 2020, because the products were surrendered and ongoing service cancelled, as no service has been provided in respect of any fees collected for 2020, I believe these should also be refunded.

Normally we'd recommend that these fees 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. And I also think that would be fair here. But I understand that this may be complicated by the investments having been surrendered and potentially transferred to a different provider.

In its response to the complaint, when it offered to refund the fees applied in respect of a missed review in 2019, SJPWM offered to add 8% interest to this. While this is not normally what I'd recommend, due to the potential issues with calculating an accurate growth adjustment, if both parties are willing to accept this as an alternative, I think adding 8% interest to the fees, from the point they were deducted to the date of my final decision, would be a fair alternative.

Responses to my provisional decision

I gave both parties an opportunity to make further comments or send further information before I reached my final decision.

SJPWM said it accepted my provisional findings and was willing to settle the complaint in line with my recommendation, adding 8% simple interest to the refund of fees.

The representative said that the situation had caused Ms B distress and inconvenience so thought I should make an award to reflect this. They also said that they thought, because SJPWM could only provide a system note in respect of the 2016 review, I should recommend that the fees applied in respect of this review be refunded.

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.

On the subject of the 2016 review, as I said in my provisional findings I would normally expect SJPWM to be able to provide further evidence of a review than just a system note. But, in the specific circumstances of Ms B's complaint, I accepted on balance that a review had likely taken place in that year, a finding which also was relevant to our being able to consider the complaint. The representative has said that they don't wish to detract from that – so appear to be willing to accept a review was conducted – but thought the lack of documentary evidence should mean that the relevant fees be refunded. But I don't agree.

As I've found on balance that a review did likely take place, I also think it is only fair to conclude on balance that said review was carried out fully, in line with the agreement between the parties. And that the agreed service was therefore provided. So, although it would be better if documentary evidence were still available, I can't fairly say that the lack of that evidence alone should mean the fees for the service, which I'm satisfied was likely received, should be refunded as to do so would put Ms B in the position of having received something but not having paid for it.

Turning to the representative's comments about distress and inconvenience, it isn't the case that just because a complaint is upheld, we would always recommend and award for distress and inconvenience. We look at the individual circumstances of the complaint.

Ms B said, and indeed I accepted when deciding jurisdiction, that she didn't know she potentially had reason to complain until she spoke to her representative, shortly before lodging the complaint. So, she wasn't caused ongoing distress and inconvenience by SJPWM from the time that reviews were missed until she made a complaint as her own testimony is that she didn't know she hadn't received the service she ought to have until recently.

After speaking to her representative, I accept Ms B may have been frustrated to learn she might not have received the service she ought to have. But that is why the complaints process exists.

I note though that in its initial response to the complaint, SJPWM said it would pay Ms B £150 for any distress that had been caused. I didn't comment on this in my provisional findings, which I apologise for. But I think in the circumstances this offer by SJPWM is reasonable, and it would be fair for it to honour what it had previously offered and make this payment, in addition to a refund of relevant fees.

Putting things right

I believe a fair and reasonable resolution is that all fees that SJPWM charged, which were deducted from Ms B's investments, in respect of the ongoing services it failed to provide should be refunded. So, SJPWM should refund all fees in respect of reviews due in 2015, 2017 and 2019 as well as any charged in advance of a review in 2020 (which didn't take place due to the policies being surrendered).

Normally I'd recommend that these fees should be adjusted for growth had the fees remained in the existing investment funds. But I understand that this may be complicated by the investments having been surrendered and potentially transferred to a different provider. And so, in the specific circumstances, I think adding 8% interest to the fees, from the point they were deducted to the date of my final decision, would be a fair alternative. And SJPWM should do so here.

Usually, we'd say the compensation amount should be paid into Ms B's investments if possible. And I think that is what SJPWM should do here, provided relevant investments are still held with an alternative provider and doing so doesn't conflict with, or result in her exceeding, her ISA allowance.

If a payment into the investments isn't possible, compensation should instead be paid directly to Ms B as a lump sum.

SJPWM should also provide details of the calculations of the redress to Ms B in a clear, simple format.

SJPWM should also pay Ms B the £150 for distress and inconvenience which it previously offered when first responding to the complaint.

My final decision

For the reasons I've explained, I uphold this complaint. To put matters right, St. James's Place Wealth Management Plc should pay compensation in line with the methodology set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 5 March 2026.

Ben Stoker
Ombudsman