

The complaint

Mr C complains that Shard Capital Partners LLP (Shard) was negligent in managing and administering his self-invested personal pension (SIPP) that was held on its platform. He says Shard allowed transactions to proceed on its platform without taking adequate steps to ensure the investments were suitable for him or in line with his best interests. He would like to be put back into the financial position he would have been in, had he not invested.

What happened

I understand that an advisory firm recommended that Mr C transfer his existing personal pensions to a SIPP around October 2016 with an initial total transfer value of £161,451.

The SIPP was confirmed by the operator as being opened on 7 October 2016. The adviser who transferred the funds to the SIPP was responsible for trading and managing Mr C's assets. In order to do that a trading account was opened on Shard's investment platform. The first trades on the account began on 21 October and continued until August 2017 when there was no longer a positive cash balance on the account.

In 2024, on Mr C's behalf, a professional representative complained. It said Shard "*failed to effectively safeguard and administer the investment, was negligent and in breach of its statutory duties, as set out by the regulator.*" It said Shard had acted in breach of the Conduct of Business Sourcebook (COBS) rules as Mr C could not have been classed as either a sophisticated or professional client. It wanted Shard to put Mr C back into the position he would now be in had the investments not been made.

Shard said it had simply set up a trading account for Mr C on its platform and that Mr C's adviser had been responsible for any financial advice and investment strategy and recommendations. It explained that the SIPP provider had previously incorrectly noted that Shard was the adviser in this (and other) cases, and this wasn't correct as it didn't have regulatory permissions to give advice, nor had that ever been its business model. It said that it had previously carried out due diligence on the adviser – who had been a regulatory advisory firm – but it had since terminated any arrangement with it.

Mr C brought his complaint to us where one of our investigators looked into the matter. They thought it was clear that there had been a SIPP provider, an adviser or discretionary fund manager, and Shard involved in this process. They thought all the evidence suggested that Shard had acted purely as a platform provider and hadn't given any advice about the suitability of the investments at any point, nor had it been involved with the initial pension transfer. Indeed Shard didn't have the regulatory permissions to give any advice. So they couldn't reasonably hold it responsible for any losses that had arisen from the advice. Mr C's representative didn't agree. It said Shard hadn't met its regulatory requirements or standards and, although it noted Shard had acted on an execution only basis, it thought Shard had a responsibility to oversee its operations effectively and maintain its platform functions in line with regulatory standards. It thought Mr C's losses could have been avoided if Shard had acted with a better duty of care and fairness. It asked for the complaint to be referred to an ombudsman – so it's been passed to me to review.

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.

And having done so I've reached the same conclusion as the investigator. I'll set out my reasons below.

Did Shard give Mr C advice or make investment recommendations

Mr C's complaint, brought through his professional representative, is that Shard was negligent in safeguarding and managing his SIPP. It says Shard failed in a number of regulatory duties to "*act honestly, fairly, and professionally in accordance with the best interests of its clients.*" So I've begun by considering whether Shard did give Mr C any advice about his investment choices or trading strategy and so whether it could be seen to have failed in its regulatory duties in doing so.

I've been provided with a number of documents which set out the relationships that existed here. Firstly I've seen a copy of a "*waiver of advice and power of attorney declaration*" which was issued by Shard, in favour of the adviser, and was signed by both parties. It stated, "*The (adviser) director signature also confirms that the advice given to the client above is the sole responsibility of (the adviser). Shard is not responsible of (sic) any client loss or (adviser) negligence when completing investments on behalf of aforementioned client. Shard are completing orders on this account on an execution only basis.*"

The form also named the adviser as being the "*money manager*" who was defined as "*an independent entity that normally will provide services to the client including giving advice and managing portfolios under a separate agreement....*" And that Shard "*is solely the client's broker facilitating the trading and related services on the client account via the trading platform and holding the clients assets.*"

It also confirmed Mr C understood that "*Shard is under no obligation to review, supervise or in any other way monitor any trading, any advice or any other acts performed by the money manager in respect of the client or otherwise.*"

In addition I've also seen a copy of a sophisticated investor certificate that was completed and signed by the adviser – as well as a professional client declaration, signed by the adviser, which said that it had "*assessed the following client correctly and competently as a professional client...*".

All the documents noted above show, in my view quite clearly, that it was the adviser who had been responsible for assessing Mr C's risk profile, assessing his professional client and sophisticated investor eligibility status, and his suitability for the type of investments it wanted to recommend and trade for him. They also show – with each warning and risk statement, that the advisory firm was acting as the "money maker" or "adviser" within the relationship and that it was responsible for the suitability of any advice given or any trading that was carried out. There's nothing within those documents to support the idea that Shard had been involved in the initial pension transfer or any of the subsequent investment advice. I have also been provided with an email that was addressed to Mr C from the SIPP provider attaching a "welcome pack" and confirming that it had received all the necessary documents to process the SIPP application. It also attached a Key Features document for the SIPP. The welcome pack "letter" made reference to a contact at Shard as being who Mr C ought to contact for further information or questions about the SIPP and the same contact was also named at the bottom of the letter. But I think that was an oversight by the SIPP operator, as I

note that the welcome pack was sent to an email address belonging to the advisory firm although it addressed the email to the same person at Shard.

I also note that the welcome pack would have been sent by the SIPP operator in response to it receiving the funds from the original pension transfer – which I think it's generally accepted was carried out by the adviser and not Shard. So that would support the idea that the SIPP operator had simply noted contact details for a Shard employee within the welcome pack but it didn't state that was the adviser in this situation.

The advisory firm in question here is no longer trading so I'm unable to request further documentation to support its involvement here. But based on everything I have been provided with; I can't reasonably say Shard was involved in any advisory activities and wasn't responsible for the suitability of the traded assets on Mr C's account. I think Shard's involvement was solely as a platform provider which allowed Mr C's adviser to open a trading account with it and make investment recommendations and trade them.

Shard's regulatory duties to Mr C

Although I've concluded that Shard played no part in any advisory capacity here, it was involved in the process. So I have to consider Mr C's complaint that Shard failed to supervise, monitor, and safeguard the trading and investments that were made.

Shard's role here was to provide the platform for the advisory firm to carry out its investment strategy on behalf of its clients. The evidence I've seen all points to Shard's role being to facilitate the investments, following the adviser's instructions. And there's no evidence to suggest that it didn't carry out those activities in line with its regulatory responsibilities. It was obliged to implement the investment choices not assess their suitability for Mr C – that was the responsibility of the adviser. There's no evidence to support the claim that Shard didn't provide the facility for the adviser to do that in line with what it said it would so.

Of course Shard had a duty to "*act honestly, fairly, and professionally in accordance with the best interests of its clients*", but there's no evidence to support the idea that it didn't do that. I think it carried out the instructions it was given and executed them correctly and in a timely manner. So I can't reasonably say that Shard acted outside of the role it was supposed to play. I think it did act in Mr C's interests in respect of this role, but it wasn't responsible for the trading that took place – the adviser had that responsibility to act in Mr C's best interests through the suitability and appropriateness of the investment strategy it maintained.

I do have some sympathy for Mr C for the unfortunate and upsetting position he now finds himself in, having lost his entire pension savings. But I can't reasonably say that's been caused by Shard or that Shard is in any way responsible for the trading pattern which caused those losses.

My final decision

For the reasons that I've given I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 December 2025.

Keith Lawrence
Ombudsman