

The complaint

Mrs P complains that St. James's Place Wealth Management Plc ('SJP'):

- Made recommendations to her that were not suitable as they were not affordable.
- She was advised to take too much risk.
- She has not been able to see the performance of her investments.

What happened

In 2008, Mrs P met with an adviser at SJP who recommended she take out an investment bond for £50,000. The plan was funded by transferring three existing investment bonds Mrs P held elsewhere along with the addition of some cash savings. In 2011, Mrs P met with SJP again and this time, she invested into a stocks and shares ISA and a unit trust. The investments were again funded in part from monies held with other providers.

In September 2015, Mrs P decided to transfer her ISA and unit trust to a new provider and in December 2015, the investment bond was closed.

In 2024, Mrs P decided to formally complain to SJP. In summary, she said:

- She was advised to invest too much money. The amount invested represented too high a proportion of her available capital being invested and exposed to risk.
- She was advised to take too much risk. Although aware that she could lose money, the funds they recommended were too high in risk for a first time, financially naïve investor.
- The adviser never explained that £2,000 would be taken from the investment.
- She was not provided with an ongoing review service despite having paid fees for this.

After reviewing Mrs P's complaint, SJP concluded they were satisfied they'd done nothing wrong. They also said, in summary:

- The advice they provided was suitable for her circumstances.
- The level of risk recommended was appropriate for her objectives.
- There was no evidence of a £2,000 fee having been taken.
- There was no separate charge for ongoing advice.

Mrs P was unhappy with SJP's response, so she referred her complaint to this service. Mrs P explained that she didn't think the investments SJP had arranged for her were suitable or

in her best interests. She also told our Investigator that she didn't recall receiving an opening and closing balance on the plans they'd arranged so she could identify any gains or losses. The complaint was then considered by one of our Investigators. He concluded that SJP hadn't treated Mrs P unfairly as from what he'd seen, the investments looked appropriate for her circumstances at the time and she'd received her full entitlement from the plans when they were eventually closed.

Unhappy with that outcome, Mrs P then asked the Investigator to pass the case to an Ombudsman for a 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.

I have summarised this complaint in less detail than Mrs P has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mrs P and SJP in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mrs P's complaint and it's for largely the same reasons as our Investigator - I'll explain why below.

Before I do, I will comment that despite more than six years having passed since the events being complained about, SJP have provided their consent to this service to consider the merits of the complaint. In brief, had they not done, this service would've first needed to have considered whether Mrs P's concerns had been raised within the time limits set out by the regulator, the Financial Conduct Authority. The crux of Mrs P's complaint is that SJP shouldn't have made the recommendations that they did as they weren't suitable for her circumstances at that time. In reaching my conclusion, I've considered each piece of advice that SJP provided to Mrs P, separately.

2008 Investment advice

The fact-find noted that Mrs P was 63 years old at the time of the meeting in July 2008, retired and in good health with no financial dependants or mortgage. Whilst the record stated that Mrs P was married, the adviser didn't collect her spouse's details. The fact-find went on to note that she had total gross income of £14,000 per annum and net monthly income of £1,080. The adviser recorded her monthly essential expenditure of £400 per month with discretionary spending of £600 per month.

In addition, the adviser recorded assets of £9,500 in stocks and shares, £67,000 in investment bonds, £45,000 in unit trusts, £34,000 in an ISA, £14,000 in cash and £9,700 in Premium Bonds. Her house, which was jointly owned, was worth £250,000 and she had

'personal assets' of £10,000. The fact-find went on to state that she had been investing for many years and is 'reasonably experienced'.

The adviser noted that Mrs P wanted to review her investments with a view to transferring three investment bonds totalling £39,063 that she held with a business that I shall call Firm P. Her goal was to have her investment actively managed and enjoy financial security in retirement. The adviser determined that Mrs P had a medium attitude to investment risk (or a 3 on a scale of 1 to 5).

In August 2008, the adviser sent Mrs P a letter setting out his recommendations. Her stated objectives at that time were:

- *"You wish to invest for capital growth in the mid to long term*
- *You do not intend to take income from commencement, however you would like the option in future to receive a set level of income*
- *You wish to gain access to the St James's Place approach, in particular the external fund manager monitoring provided by Stamford Associates, as you feel this type of investment monitoring provides potential for greater future fund growth. Your existing provider does not provide such fund manager monitoring.*
- *You wish to receive face to face advice in relation to your investments; you do not receive advice from your existing providers."*

The adviser recommended Mrs P encash all three investment bonds and use £11,000 held in cash and Premium Bonds to invest in an SJP investment bond. The suitability letter set out that Mrs P should invest the monies into a bespoke portfolio across five funds; three of which had equity exposure of around 70%, one of them had equity exposure of up to 60% and the fifth had equity exposure of around 40%. Having looked at the various funds, it seems that the fund managers did have licence to increase or decrease the equity holdings within them, depending on market circumstances, so broadly, the portfolio recommended wasn't inconsistent for a customer wishing to take a risk level of 'balanced'. The suitability letter does set out that SJP can't provide any certainty that the investment recommended will perform any better than her existing bonds and that what she gets back will be dependent, amongst other things, on market conditions. Mrs P signed the suitability letter on 19 August 2008 to say she understood the risks of what she was entering into. The bond was set up on 16 September 2008.

I think in light of the fact that Mrs P already had three investment bonds and investments in stocks and shares, she'd some knowledge of investing and therefore, she wasn't a novice investor. I think on balance, it's more likely than not that she would've likely known that the value of her investment could go down in value and wasn't guaranteed. The suitability letter explained that Mrs P didn't need the monies and was happy to invest for the medium term – I don't think the level of risk recommended was out of line for someone in Mrs P's circumstances. From what I've seen of the assets the adviser noted within the fact-find, she had other monies to fall back on, had no debts and therefore, in my opinion, the capacity to take risks at that level.

In light of the fact that the investment represented only a modest proportion of her overall wealth, I can't therefore conclude that this recommendation was inappropriate.

2011 Investment advice

The adviser met with Mrs P in February that year to “discuss investments”. The fact-find states that she was now 66 years old, still retired and in good health, with no financial dependants or liabilities. She still had total gross income of £14,000 per annum and net monthly income of £1,000 per month. Her essential expenditure had reduced from £400 to £300 per month with monthly disposable income of £700.

The fact-find stated that she had ‘cash accounts’ of £150,000 and was seeking advice on her investments held elsewhere – an OEIC that was valued at £14,401 and an investment bond valued at £15,559. The adviser again determined that Mrs P had a medium attitude towards investment risk. Following the meeting in February 2011, the adviser issued a suitability letter to Mrs P in June, where her stated objectives were recorded as:

- *“You would like to achieve as much capital growth as possible.*
- *There is no specific purpose to these investments.*
- *You would like to invest for the medium to long term i.e. 5 – 15 years.*
- *You would like the investment to be as tax efficient as possible.*
- *You like the St James’s Place approach to investment management.”*

The adviser recommended that Mrs P encash the OEIC and investment bond and fund an investment ISA and unit trust feeder with the £29,960, with SJP’s Balanced Portfolio. I think it’s unlikely that Mrs P actually held £150,000 in cash at the time the fact find was completed because we know that in 2011, she held at least £50,000 within the SJP investment bond that wasn’t encashed until four years later, so I well suspect that balance was less than that. However, in light of the fact that SJP were replacing one investment for another and not investing any new monies, the asset concentration level was staying broadly the same, which I think was reasonable.

Having considered the investment portfolio recommended along with Mrs P’s circumstances at the time, I don’t think SJP’s recommendation was inconsistent with her stated needs. And, looking at the nature of the funds where the monies were previously invested compared to the new recommendation, the equity splits were broadly similar. Mrs P wanted to invest for the medium term in a balanced portfolio and make use of her ISA allowance where possible. I’m of the view that she had the capacity to take risks at the level recommended, and that the risks of entering into the investment were clearly set out within the suitability letter. And from what I’ve seen, Mrs P appears to have received positive returns from the investments she made from SJP. I don’t think SJP’s 2011 investment recommendation was unreasonable for Mrs P’s stated aims and objectives.

2011 regular savings advice

In September 2011, the adviser wrote to Mrs P again, this time setting out a recommendation for a regular savings investment ISA setting aside £100 per month; this was later increased to £200 per month. The adviser confirmed that Mrs P was a medium risk investor and should allocate her monies to their Global fund. Having looked at the fact sheet for that specific fund, whilst it would seem that it doesn’t match her stated attitude towards investment risk given the weight of the fund that was invested in equities, I think in light of the fact that the regular premium only represented a small proportion of her stated wealth combined with the fact that she was investing on a regular basis, the recommendation appears reasonable and was within her available disposable monthly income.

Overall, I'm satisfied that SJP made Mrs P aware of the risks of the investments that was taking on and was happy to accept them for the prospect of better returns than her existing investments were providing.

Performance of the investments

In her correspondence with this service, Mrs P has explained that she doesn't believe that when her investments with SJP were closed, she received the proper entitlement from them.

Investment bond - Mrs P originally invested £50,000 on 16 September 2008. Mrs P wrote to SJP on 15 December 2012 asking them to surrender her investment bond. When the plan was encashed on 18 December 2015, it was valued at £71,861.63. As SJP weren't able to verify Mrs P's bank account at the time, they sent her a cheque on 23 December 2015 for the proceeds.

ISA – an initial contribution of £9,780 was made on 3 August 2011 and a further contribution of £14,238.73 was made on 23 September 2011. A single payment of £100 and then a further five payments of £200 per month were made between October 2011 and April 2012. The ISA also received £11,080 and £11,520 from Mrs P's unit trust in 2012 and 2013 respectively, to put towards her ISA allowance. Overall, £47,718.73 was invested and when the investment was transferred away, £59,110 was paid out.

Unit trust – an initial investment of £24,870 was made on 3 August 2011. In 2012 and 2013, £11,080 and £11,520 was transferred to the ISA. Mrs P also made eight monthly payments of £200 in 2012 into the plan. Overall, she contributed £26,470; £22,600 was moved to the ISA and when the plan was eventually closed on 24 September 2015, there was a balance of £5,704.84 remaining to be paid away.

Whilst SJP haven't provided any evidence of the cyclical statements that they provided to Mrs P when she was a customer, I think it's likely that she would've received statements on at least an annual basis informing her of how her plans were doing and also at the point the plans closed.

As I've not seen any evidence to persuade me that SJP have failed to provide Mrs P with the monies from her investments to which she was entitled, I can't therefore conclude that they've done anything wrong.

My final decision

I'm not upholding Mrs P's complaint and as such, I won't be instructing St. James's Place Wealth Management Plc to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 28 November 2025.

Simon Fox
Ombudsman