

## The complaint

Ms M has complained that the advice she received from True Potential Wealth Management LLP (TPWM) to transfer her existing pension drawdown arrangements to it was inappropriate.

Ms M would like to be compensated for any financial loss she has suffered as a result.

## What happened

I issued my provisional decision to this complaint in September 2025, parts of which are copied below and form part of this decision.

*I have reviewed all the evidence provided by both parties. I have not reproduced all of this in this decision but concentrated on what I believe to be the most relevant parts.*

*In July 2022, Ms M's financial adviser (FA) contacted her to say that he was moving from his existing employer (Adviser A) and moving to a new role at TPWM. Ms M held substantial pension benefits with her existing provider, with around 10% in crystallised assets but the majority still uncrystallised. Ms M was drawing a taxable income of £1,000 per calendar month (pcm) from her benefits at the time.*

*Ms M has stated that the FA told her that it would be advantageous to her to move her pension benefits to True Potential Investments (TPI), a related but separate business to TPWM. Ms M also said that the FA told her that she would benefit from both greater investment opportunities and lower charges than with her existing provider.*

*Ms M has also stated that she was unsure as to whether the transfer of her benefits was in her best interests but agreed to the transfer in order to maintain the relationship with the FA.*

*The FA informed Ms M that she would pay no charges for the transfer but would pay 0.5% pa of the value of her benefits for ongoing financial advice. The FA also assured Ms M that her income payments would restart automatically once the transfer of assets to TPI was complete.*

*On 31 August 2022, the FA emailed Ms M from the email account he had with Provider A to send her a brochure entitled: 'Do more with your money' – a brochure which outlined TPWM's approach to providing financial advice. The advisor also sought to set up a meeting with Ms M in the following two weeks.*

*Following this meeting, the FA emailed Ms M on 12 September 2022 to send her some more information and links to TPWM's mobile app. This email came once more from the FA's email account with Adviser A.*

*Ms M replied the same day to the FA to say that she had activated her TPWM account and mobile app and confirmed that she wanted her existing pension benefits transferred to TPWM.*

*TPWM also sent Ms M a Digital Direct Marketing offer on 12 September 2022. She was eligible for this offer as she held a Personal Pension and was a customer of an adviser who was moving to TPWM.*

*TPWM has provided evidence that shows that when Ms M reviewed the offer, it contained the following statement:*

*Your financial adviser has not assessed your individual circumstances to enable individual financial advice to be provided in respect of this transaction, nor whether your investments are higher charged than those available from TPI. This offer is designed for investors who wish to make their own investment decision – If you are unsure of whether this is suitable for you, you should contact your financial adviser and request a personal recommendation.*

*Ms M indicated her agreement to this statement before proceeding with the account application.*

*Following this application, TPWM sent Ms M an online questionnaire the following day, 13 September 2022. She completed and submitted the questionnaire with answers that confirmed that she had chosen the transfer and the portfolio her benefits would be invested in without influence from anyone else, other than the provision of factual information.*

*TPWM subsequently requested the transfer of benefits via the origo system, which was completed in October 2022. Ms M's pension benefits were subsequently invested into a TPI ready made portfolio.*

*Following the transfer, TPWM attempted to contact Ms M to set up an initial consultation to:*

*describe our services and costs in relation to both our initial advice and, if agreed with you, the ongoing services we will provide throughout our relationship with you.*

*During our initial meeting, we will explore with you in detail how our approach allows you to be better informed and empowered to reach your financial goals...Any advice or recommendation that we offer will only be given after we have assessed your needs and considered your attitude to any risks that may be involved.*

*This meeting did not take place. TPWM made one attempt to hold this meeting, before sending Ms M details of the service proposition by letter and email.*

*On 7 February 2023, Ms M contacted the FA to say that her pension income withdrawals had still not recommenced following the transfer of her benefits from Provider A to TPI.*

*The FA activated the online drawdown function on her TPI pension on 9 February 2023 and Ms M submitted withdrawal requests to TPI on two occasions, 10 February 2023 and on 11 January 2024.*

*Ms M met with a different TPWM adviser on 19 August 2024. During the meeting she discovered that the two withdrawal requests she had made since transferring her benefits to TPI had been made from her tax-free allowance. Ms M was unhappy with this, as she had not intended to make tax free withdrawals from her pension and had reported them as taxable to HMRC alongside her other income, potentially incurring unnecessary income tax liabilities and limiting her options for taking tax free cash in the future. She complained to TPWM on 20 August 2024. TPWM passed this complaint to TPI as it felt that this was a complaint about how her instructions had been carried out rather than anything relating to the advisory service TPWM provides.*

*On 5 October 2024 Ms M also raised concerns about the level of the fees being charged by TPI and the possibility that these fees may increase in the future. She said that TPWM had stated before the transfer that the fees would be lower as a result of the transfer, but this doesn't appear to be the case.*

*TPWM responded to Ms M's complaint on 22 November 2024. It did not uphold her complaint and said:*

*In the first instance I would like to clarify that the transfer of your [Pension benefits] were arranged on a non-advised basis, via a Digital Direct Marketing Offer sent from True Potential Wealth Management. These offers are on occasion either put to existing, newly joined clients or potential new clients where their adviser is joining our firm, to let the client know that they can transfer investments held elsewhere to True Potential Investments, should they wish to do so on a non-advised basis. These offers are only made to clients who hold comparatively similar policies to the ones offered by True Potential Investments (e.g. a Personal Pension, given True Potential Investments offer a Personal Pension), which is why they can be conducted on a non-advised basis.*

*It went on to say that she had indicated in her application that she had not received any advice to transfer her benefits from her previous provider to TPWM. It outlined the process that it would need to undertake to provide her with advice to transfer her benefits, including a fact find, establishing her attitude to risk and comparing the costs of her previous provider versus TWPM.*

*It went on to say:*

*These steps would be required to ensure compliance with FCA rules. Having reviewed our records, we are unable to find evidence of any of the above steps, and therefore we do not believe [IFA] provided you with any advice. If you have any evidence that financial advice was provided, please provide it to us.*

*Unhappy with this response, Ms M brought her complaint to this service.*

*Our investigator reviewed all the evidence provided and formed the view that Ms M's complaint about the mistakes made in paying Ms M's drawdown benefits should be upheld and that TPWM should pay her £300 in respect of her distress and inconvenience. They did not believe that the complaint points about the advice should be upheld.*

*TPWM replied, accepting our investigator's view. Ms M remained unhappy, and so the complaint has been passed to me to make a final decision.*

*TPWM responded to my provisional decision to say that it accepted it. Ms M replied to say that she felt that the two annual reviews that she received did not merit the fees she had been charged for them. She also said that she would have missed out on six further months of tax relief than the two years I had indicated in my provisional decision.*

*I have considered her comments and I will now make my final 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.*

*Having done so, I have reached the same conclusion as in my provisional decision and uphold Ms G's complaint.*

I will explain now how I have reached my conclusions.

Firstly, I think it's important to reflect upon the role of this Service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we expect a business to fairly compensate a customer for any financial loss and distress and inconvenience they have suffered as a result.

*Ms M has raised two main areas of complaint against TPWM.*

*The first of these relates to the transfer of her benefits from her previous provider to TPWM. I can see that she said that she was advised by her FA to move her benefits from her previous provider to TPWM. When considering the evidence relating to this transfer I can see that Ms M indicated that she had received no advice relating to the transfer on two separate occasions. The first was when she ticked a box on the online link to enable her to proceed with the transfer application on 12 September 2022. The second time was when she indicated on a follow up questionnaire that she had chosen to transfer to TPWM and the portfolio her benefits were to be invested in had been chosen without influence from anyone else. This was completed on 14 September 2022.*

*TPWM has also indicated that none of the documentation that would be required for it to provide Ms M to advise her on her transfer was ever completed. Neither was there a service agreement or any payment for transfer advice between it and Ms M.*

*Ms M does not dispute that this documentation does not exist and neither were her financial circumstances and objectives discussed with her FA as part of a transfer process. She does, however, maintain that it was the FA that originally suggested that she transfer her assets from those managed by their previous employer to TPWM prior to their change in employment. I can see that some of the communications between them relating to the transfer took place prior to the FA's change of employer – at least two of the emails were sent from the previous employer's email address which clearly indicates to me that the FA was, at the very least, facilitating Ms M's transfer of benefits to TPWM.*

*Ms M has said that her recollection of the discussions with the FA were that she was told by them that the transfer would be to her benefit, offering lower fees and the maintenance of her relationship with them as her FA.*

*I've also considered the letter sent by TPWM to Ms M to tell her that her FA was moving to TPWM. It said:*

*As your financial adviser, I wanted to share the news that I have been looking ahead to ensure that you continue to receive first class ongoing service.*

*For you to continue to receive a high quality ongoing service I have accepted an offer to take up a position within True Potential Wealth Management LLP, **who will now take over the servicing of your investments.***

*It went on to say:*

*As part of the transfer process, I have provided True Potential Wealth Management with access to the information I hold for you to enable them to continue to provide ongoing financial advice.*

*The wording of this letter indicates to me that the move to TPWM was presented almost as an automatic transfer. I consider that this indicates that TPWM was in receipt of all the*

necessary documentation to understand Ms M's personal financial circumstances and the advice she had been given by the FA.

*I've considered the other evidence here most carefully. On the one hand there is no documentary evidence that would support Ms M's contention that the FA provided her with formal advice to move to TPWM. On the other hand and given the tone of the letter she had been sent, I can see that she may have easily formed the opinion that the FA thought it was a good idea for her.*

*I've also considered what TPWM said in its response to Ms M's complaint – that she was sent the Digital Direct Marketing offer on 12 September 2022 only because she held a Personal Pension and was a customer of an adviser that was joining TPWM – this was not a communication designed for the wider public. The offer only contained factual information rather than personalised advice – and the application process contained explicit text to reinforce that no advice had been sought or given.*

*On balance, I find it fair and reasonable to conclude that although TPWM gave Ms M no formal advice relating to the transfer, she most probably formed that impression because her existing FA had introduced her to the idea that this was, in fact, their recommendation. On that basis, I conclude that Ms M believed that the transfer would be beneficial to her – not least as she felt she had been assured by the FA that she would benefit from lower costs by transferring to TPWM than from staying with her existing provider. It's unclear from the evidence whether Ms M has indeed been paying higher charges with TPWM or simply believes that she will in the future. Consequently, I cannot ask TPWM to compensate her for this. The approach we take at this service is that if a consumer is unhappy with the fees or service they receive from a provider, they are free to move to one which suits them better. I understand that Ms M wishes to take this approach.*

*I'll move on now to look at the issue of the payment of Ms M's benefits after the transfer. Although TPWM sent this complaint to TPI, I consider that the root cause of the problems Ms M experienced with these payments were the result of mistakes made by TPWM. In his email of 12 September 2022, the FA confirmed that Ms M's payments from her pension would continue as they did before the transfer. They said:*

*One thing I meant to mention is that where you are taking a monthly income there may be some disruption to a month's payment depending upon the timing of when everything happens. This will simply get reinstated for you when everything completes.*

*TPWM confirmed that the FA subsequently left a note on Ms M's file for her monthly payments to recommence once the transfer had completed. Ms M contacted TPWM on 7 February 2023 to ask why she had received no income payments. The FA emailed TPI to ask it to reinstate Ms M's 'Tax-free cash' withdrawals. They also confirmed that Ms M did not require any advice at this time as the instruction was to reinstate the payments she had previously been receiving from her previous provider.*

*I consider that these instructions from the FA were errors on the part of TPWM. I find that the adviser ought to have been aware that Ms M had not taken any tax-free cash payments in the past as he had provided financial advice for her at his previous employer. The welcome letter from TPWM also indicates that the advice from the previous adviser had been transferred to it as well. Given this, I find it more likely than not that the decision that Ms M did not require financial advice at this point was also based on the adviser's belief that he was aware of her situation and financial needs from his previous experience with her.*

*As mentioned earlier, Ms M had not received any financial advice from TPWM since her transfer. Although it had sent Ms M details of its service proposition, it had not sought any*

*information from her relating to her financial knowledge, attitudes, needs and objectives. The lack of any fact find or related discussions reinforces my belief that TPWM was relying on the FA's previous knowledge of her circumstances.*

*This led to the situation where TPI sent Ms M pension benefit forms on 11 February 2023. The forms asked for £12,000 tax free cash to be withdrawn from her pension benefits and paid to her in monthly instalments of £1,000 each. I can't see that TPI made any error here and acted on the instruction given to it by TPWM, so it's appropriate to say that this error was the responsibility of TPWM.*

*I can see that Ms M signed and returned the forms to set up the drawdown arrangement. Although I could take the view that Ms M ought to have realised that the forms asked for income payments to be made from tax free cash, I also have to consider that by this stage she had been without any of her pension income for six months and would have been keen to have her payments restarted. Given this, and on the basis she had been told by the FA that the payments would continue to be made on the same basis as before, I think the responsibility for this error lies with TPWM.*

*I've carefully considered the effect of these mistakes on Ms M's pension benefits. She has drawn more tax-free cash than intended at this stage of her retirement. Ordinarily, I would consider that she had not suffered a financial loss overall as the amount of tax due on the total pension benefits would have been the same as if she had taken the payments as she intended. In this case, however, Ms M has provided information to show that she had structured her income to avoid paying income tax on her taxable pension income.*

*I can see that she took advantage of a low income in the tax years 2022/23 and 2023/24 to ensure that she paid no income tax as her income was below the £12,750 tax threshold. As she would have paid no tax on the pension income had she received it as she intended, I consider that she has suffered a financial loss equivalent to the base rate of income tax on all the payments that were made wholly tax free by TPWM's mistakes. This is because she may have a higher income in the future, most probably once she becomes eligible for her state pension. Consequently, I find it fair to say that she will most likely suffer financial disadvantage in future years. I consider that this loss is the sum of the basic rate tax she will have to pay on the 75% of her pension income for two years. I calculated this to be 20% of £9,000 per annum (75% of £12,000) for two years, or £3,600.*

*Ms M has, of course, also been inconvenienced both by the need to sort out the pension payments with TPWM and by having a lower flexibility over how she structures her future income to maximise the tax benefits offered by choosing when to take tax free cash. In recognition of the distress and inconvenience TPWM has caused Ms M, I find that a payment of £300 is appropriate in the circumstances.*

*I appreciate that Ms M is unhappy with the fees and charges TPWM has levied on her account, given the poor service she feels she has received. I can see, however, that she received annual review meetings in September 2023 and August 2024, so I consider that TPWM has provided her with this service and should be paid for it in line with the service agreement.*

*I have considered Ms M's responses to my provisional decision most carefully. On the subject of the annual reviews, while I appreciate that she feels that the content of the meetings were unsatisfactory, I find that the meetings were arranged at appropriate times and that she had the opportunity to discuss her situation – and latterly her concerns – with TPWM, so I shan't ask it to compensate her further.*

Similarly, I've considered her view that she should be compensated for a further six months future tax liability. I also can't agree with her on this point. As I mentioned in my provisional decision, my aim is to put Ms M as closely as possible back into the situation she would have been in if the mistakes had not occurred. In the circumstances of this complaint, I have had to consider that I am compensating Ms M for losses that have not yet arisen. Given this, the approach I have taken must be based upon an imperfect estimate of what those future losses may be. The actual losses may be prove to be higher or lower than this depending upon Ms M's circumstances at the time and future taxation legislation.

Consequently, I feel that the assumptions I have used are fair both to Ms M and TPWM given future uncertainty and I have not changed my view in this final decision.

### **Putting things right**

In assessing what would be fair compensation, my aim is to put Ms M as close as possible to the position she would probably now be in if TPWM had not made the mistakes it did.

To compensate Ms M fairly, TPWM should:

- Pay Ms M a sum equivalent to the basic rate of income tax that would have been due on the income payments that were drawn down from her pension as tax-free cash rather than on a 25% tax-free and 75% taxable basis. I have calculated this as £3,600, as shown above. If TPWM or Ms M disagree with this calculation, I would ask them to provide details of their own calculations and/or assumptions in response to this provisional decision.
- Pay Ms M interest at the rate of 8% per annum simple in relation to each of the delayed payments that should have been made to her from September 2022 to February 2023. This interest to be payable from the date the payment was due until her income payments restarted. And to those interest amounts should then be added interest at 8% simple pa from the date that the income payments restarted until the date of settlement, and also paid to Ms M. For the purposes of this calculation, the total interest should be the sum of the interest due on each individual missed pension payment.
- Pay Ms M the sum of £300 in respect of the distress and inconvenience she has been caused, to include any sums already paid.

Provide details of all calculations to Ms M in a simple, easy to understand format.

Income tax may be payable on any interest paid. If TPWM deducts income tax from the interest, it should tell Ms M how much has been taken off. TPWM should give Ms M a tax deduction certificate in respect of interest if Ms M asks for one, so she can reclaim the tax on interest from HM Revenue & Customs if appropriate.

### **Why is this remedy suitable?**

I've chosen this method of compensation because:

- Ms M was a non tax-payer and would have paid no income tax on the taxable element of her pension income. This allowance has been lost to her.
- Ms M was deprived of income payments between September 2022 and February 2023. The interest payment reflects the fact that Ms M was unable to use the income that TPWM should have paid during that period.

**My final decision**

For the reasons given above, I uphold Ms M's complaint.

True Potential Wealth Management LLP should pay Ms M the sums calculated above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 20 November 2025.

Bill Catchpole  
**Ombudsman**