

The complaint

Mr Z has complained to WPS Advisory Ltd (WPS) about its retention of the advice fee it charged him for facilitating a transfer of his pension benefits. Mr Z considers that, given what he considers to be the errors involved in the transfer of his pension benefits, the advice fee should be refunded.

What happened

12 July 2024 - Mr Z signed a letter of authority form authorising WPS to obtain information relating to him from Royal London with whom Mr Z had a personal pension policy (PPP).

5 September 2024 - WPS issued an advice letter recommending that Mr Z's Royal London pension be transferred to a new provider and invested into the Legal & General (L&G) Future World Multi-Index Fund.

9 October 2024 - Mr Z signed a client declaration agreeing to transfer his Royal London personal pension into an Aegon self-invested personal pension (SIPP), and to invest the funds within his Aegon SIPP into the L&G multi-index fund, paying an advice fee of £1,250 upon the transfer.

15 October 2024 - WPS sent Aegon the transfer paperwork and asked it to request the transfer as soon as possible from Royal London.

17 October 2024 - Aegon confirmed receipt of the transfer documentation and took steps to initiate the transfer.

18 October 2024 - WPS emailed Aegon and confirmed the national insurance (NI) number was mis-typed on the online application form and requested that it correct it. Aegon responded the same day to say that it had changed the details accordingly.

21 October 2024 - WPS emailed Aegon and said it received notification from Royal London that the transfer request was submitted with the incorrect NI number. It asked Aegon to re-request the transfer and to confirm the correct NI number urgently.

28 October 2024 - An internal email was sent within WPS confirming that Mr Z called wanting to cancel his transfer to Aegon as he was not happy with its customer service. Despite the transfer being requested again, Mr Z said he would like to transfer to an alternative provider. WPS emailed Aegon and asked that it cancel the transfer request as soon as possible.

29 October 2024 - WPS issued an "addendum to advice" letter to Mr Z. The letter confirmed that Mr Z no longer wanted to transfer to Aegon, and so WPS sought an alternative provider. WPS confirmed that, as there were no changes to Mr Z's personal or financial circumstances since its initial recommendation on 5 September 2024, investing into the L&G fund remained suitable for Mr Z's attitude to risk and investment requirements. So, the only change would be to replace Aegon as the recipient provider.

WPS enclosed paperwork confirming that it recommended that the full value of the Royal London pension be transferred into an Aviva SIPP. All the details were enclosed. The disadvantages were explained as being that Mr Z would no longer be able to benefit from the guaranteed annuity rates which applied to his pension with Royal London. This guarantee would be irrevocably lost on transfer, but it also said that he didn't need the additional guaranteed income as his expenditure was covered by his state pension and rental income.

30 October 2024 - Mr Z signed a client declaration to confirm that he was happy to proceed with the recommendation and invest into the Legal & General fund and a fee of £1,250 would be payable from his Aviva Pension Portfolio on receipt of the transfer payment from Royal London.

On the same day, WPS emailed Mr Z and said it received the declaration. Aviva confirmed receipt of the application and said that the transfer would be requested from Royal London in the next three working days. Royal London confirmed that its timescale to complete the transfer would be 21 working days.

1 November 2024 - WPS emailed Mr Z to say that Royal London had confirmed that it had received the transfer request.

20 November 2024 - WPS updated Mr Z and let him know that Royal London was looking to process the transfer and, once processed, payment would be made to Aviva within three to five working days.

2 December 2024 - WPS told Mr Z that Aviva had received the transfer funds from Royal London and the funds had been applied to his policy. Mr Z asked WPS to confirm the chosen fund with Aviva. WPS responded, saying the recommended fund was the L&G Multi-Index fund.

23 January 2024 - WPS emailed Mr Z and said it had spoken with Aviva which confirmed it would remove WPS as the advising firm on his pension plan, however there would be a change in its administration fees 90 days after the removal. WPS attached Mr Z's existing charging structure, and the new charges when WPS were removed as the advising firm.

23 January 2025 - Mr Z emailed WPS and said the purpose of the transfer was to move his pension to a non-advised policy. He said that, at the moment he was unable to access his pension without having to obtain financial advice. And whilst WPS could remove itself as his advising firm, that didn't fix the problem of having a pension that wasn't self-managed.

30 January 2025 - Mr Z emailed WPS again saying he wanted his pension to be transferred to a self-managed pension, and that he now had to transfer his pension again to gain self-management. Mr Z said he'd been given something he didn't want.

29 March 2025 - Mr Z emailed WPS and said the incorrect NI number was given to the pension provider. Mr Z confirmed that he would accept the £250 offer made by WPS in settlement of the complaint if the advice fee was also refunded.

9 April 2025 - WPS issued its final response letter. Regarding the requested refund of the advice fee, it said the fee was charged for services it delivered. Mr Z agreed to pay the fee and WPS completed all aspects of its advice process when recommending that Mr Z transfer his pension to Aegon. And this fee would still apply whether Mr Z wished to go ahead with the recommendation or not.

Furthermore, WPS said, when Mr Z decided not to proceed with the transfer to Aegon, it undertook further work for which it charged no additional fee.

Regarding the NI number issue, WPS said its records showed that this had been identified and corrected promptly with Aegon and that it was unaware of any ongoing issues.

WPS confirmed that its offer of £250 still stood and but that it was unable to agree to a full fee refund as the contracted services were delivered in full. Lastly, WPS said that its offer to facilitate a transfer to a suitable alternative pension platform to allow him to self-manage his portfolio at no cost also remained open.

Dissatisfied with the response, Mr Z referred the complaint to this service, and he's since confirmed that he's transferred his pension, and is happy with the provider of the new self-managed pension.

Having considered the matter, the investigator didn't think that the complaint should be upheld, saying the following in summary:

- In terms of the matter of the fee refund, she appreciated that Mr Z believed he shouldn't pay for the advice fee as he said WPS provided inaccurate advice by recommending he transfer his pension to a policy with Aviva which wasn't self-managed. But having looked at all the information, it was clear that WPS only charged Mr Z for the initial advice relating to the transfer of his pension to Aegon.
- There wasn't anything wrong with the initial recommendation and based on the evidence it seemed the reason the transfer didn't go ahead with Aegon was due to Mr Z's personal preference of not wanting to proceed with Aegon due to its poor customer service.
- After the initial recommendation, Mr Z signed a customer declaration on 9 October 2024 to confirm that he was happy to proceed with the transfer. On 28 October 2024, the transfer request to Aegon was cancelled. But by this point, the advice had already been provided and accepted by Mr Z.
- In WPS's final response letter, it revised its advice and recommended that Mr Z transfer his pension to Aviva. WPS had acknowledged that this was an incorrect recommendation, given that Mr Z wanted a self-managed pension. However, WPS confirmed that it didn't charge Mr Z for the additional advice it provided to him. Mr Z felt the fee should now be waived, given WPS's error, but this wouldn't be fair or reasonable to WPS.
- Ultimately, had WPS charged a separate fee for the incorrect advice to transfer to Aviva, then it may be appropriate for it to waive the second fee. However, in this case, it was clear that WPS didn't charge for the additional advice.
- Work had been undertaken by WPS to provide a transfer recommendation to Mr Z to transfer his pension to Aegon. That advice was chargeable, and it would be reasonable to expect Mr Z to pay for it.
- The pension fund wasn't ultimately transferred to Aegon, but this wasn't due to WPS's actions. Instead, it was because of Mr Z's personal preferences and issues with Aegon. The email exchanges showed that this transfer was cancelled at a later stage of the process because Mr Z decided he didn't want to proceed with Aegon. But this didn't detract from the fact that the advice was provided and Mr Z had agreed to it contractually.

- With regard to the compensation amount offered by WPS in respect of the incorrect advice to transfer to Aviva, she'd considered this in the context of the guidance issued by our service.
- In its final response letter, WPS acknowledged that its recommendation didn't meet Mr Z's self-management requirements. It offered compensation and offered to facilitate a transfer to a suitable alternative pension platform allowing Mr Z to self-manage his portfolio at no extra cost. Mr Z chose to not accept its second offer as he said he lost trust in its services.
- The advice to transfer to Aviva was provided on 29 October 2024. Mr Z was prompt in his responses to ensure the transfer went ahead quickly and efficiently. And it became clear the transfer to Aviva did not meet his needs by the end of January 2025. Mr Z then requested the transfer of his pension himself after he received the final response letter from WPS in April 2025.
- Given the length of time Mr Z dealt with this issue and the inconvenience it caused him in transferring his pension again to a different provider, WPS should increase the compensation award by another £100, to a total of £350. This amount reflected the distress and inconvenience experienced by Mr Z due to WPS's actions.
- The total amount of £350 (including the £250 offered in April 2025) was fair and reasonable for the issues that were ongoing over some months. It was clear that the matter caused frustration and worry for Mr Z, and this would have been a stressful situation for him, especially as he approached his retirement age. Mr Z expressed his concerns about wanting to access his benefits and it was clear that WPS failed to meet his needs with the second transfer.
- Therefore, an amount of £350 was fair and reasonable for the distress and inconvenience that Mr Z experienced. WPS didn't need to award any more than this because it didn't charge for the advice for the second transfer.
- Mr Z had also complained about the incorrect national insurance number being inputted into his transfer application. However, this error was quickly resolved and didn't impact the transfer that was cancelled upon Mr Z's instruction anyway. So, WPS didn't need to do anything further in this regard either.

WPS agreed with the investigator's conclusions, but Mr Z didn't, saying the following in summary:

- There were several errors in the background history. In essence, the main issue was that advice was given and agreed to move the pension to one which could be self-managed, and WPS failed to do this.
- It moved the pension to an advised pension that it would continue to receive commission from and which he couldn't self-manage.
- There were also other problems with incorrect information being sent by WPS such as incorrect NI number and that not all of the pension was transferred.
- The initial advice not to transfer to Aegon was not his personal preference, but a mistake by WPS to advise him to transfer to a pension provider that he couldn't access or log in to manage his pension.

- WPS should have ensured that any transfer advice was suitable and as agreed. The Aegon transfer didn't work and WPS should take responsibility for suggesting a company that couldn't deliver the agreed product
- It was wrong to say that WPS offered advice a second time. Its initial advice to transfer to Aegon didn't work. WPS said that it would then find another pension provider that would provide the same pension. There shouldn't have been a need for a second round of advice and charges - WPS should simply have done its job properly and as agreed on the first occasion.
- WPS then went on to transfer incorrectly to the same pension fund with Aviva and made the same mistake of transferring to a managed pension and not a self-managed pension as was advised and agreed.
- WPS therefore didn't carry out its advice as agreed at any stage, yet he was charged £1,250 for this. He had a self-managed pension now, but this was due to his own efforts in transferring out of the managed Aviva pension that WPS arranged by mistake.
- There had been many errors and delays, but WPS's advice as agreed was never carried out and he had to put things right himself. He couldn't see it could be justified that WPS would charge him for something that it didn't do and had caused many other problems. His situation or wishes never changed, and WPS was solely responsible for a catalogue of errors.

The investigator considered Mr Z's further comments, and said the following:

- Regarding the incorrect NI number, she appreciated that WPS had made an error in relation to this, but it had acknowledged its error and resolved it as soon as it was made aware of the mistake. The recommended compensation covered this mistake and it was important to highlight that the role of our service wasn't to punish a business. WPS shouldn't be expected to do anything further about that mistake, which was in any case quickly resolved.
- She noted that Mr Z had said that the decision for WPS to initially transfer the pension to Aegon wasn't his preferred choice, and added it would be useful if he could explain why it wasn't his preferred choice and why he signed the declaration to confirm his acceptance to transfer his funds to Aegon.
- Mr Z had also said that the transfer to Aegon didn't work and WPS should take responsibility for suggesting a company that could not deliver the agreed product. But based on the evidence the investigator had seen, the transfer request to Aegon was in the last stages with only the funds being required to transfer to them. The evidence indicated that Mr Z cancelled the transfer and not WPS, due to his issues with its customer service. But if Mr Z felt that WPS was at fault for the transfer not proceeding, the investigator requested further detail on this.
- The investigator also enquired as to whether the pension with Aegon was going to be self-managed, and also some evidence of that.
- Mr Z had also said that WPS didn't offer advice a second time, but it seemed that the Aegon transfer was cancelled after it had provided advice. WPS then advised Mr Z a second time when it suggested transferring to Aviva, albeit this was incorrect. So it

was clear that advice was provided on two occasions. In the first instance, the transfer was cancelled and in the second instance, the advice was incorrect.

Mr Z responded to say the following:

- The mistake with the NI number was of no consequence, but was included to show that nothing had gone as it should.
- He hadn't chosen Aegon as the initial recipient provider – this was WPS's recommendation. But after he'd tried to access his account, was unable to log in, and its customer service was unable to help, instead referring him back to WPS, he requested that WPS identify an alternative suitable provider. But WPS should have done this in the first place.
- WPS had agreed, and recommended the same fund with an alternative provider, Aviva, but this turned out to not be a self-managed plan, and he would continue to pay WPS to manage it for him.
- He'd never found out whether the Aegon plan would have been self-managed or not, as he'd been unable to log in to the account.
- There weren't two instances of advice – there was one recommendation, which was to invest in a particular fund, but when it was shown that Aegon couldn't provide this, it was up to WPS to find an alternative provider.
- WPS shouldn't receive payment for setting up something which hadn't been agreed and was contrary to his instructions.

The investigator wasn't persuaded to change her view on the matter, however, and Mr Z wasn't persuaded that the investigator had understood the nature of his complaint, and so he requested that the matter be referred to an ombudsman for review.

I issued a provisional decision on the complaint on 20 October 2025, in which I set out my reasons for partially upholding it. The following is an extract from that decision.

"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 overall conclusions as the investigator, and for similar reasons.

I've firstly noted what Mr Z has said about the investigator not understanding his complaint, but I don't think that's the case. I think there's simply a disagreement on what would be a fair and reasonable outcome here.

I think there are also some other assertions made by Mr Z which ought to be clarified, and Mr Z will have the opportunity to respond to this. For example, Mr Z has indicated that Aegon couldn't facilitate the transfer and couldn't provide the Global Index 5 Fund – but this doesn't seem to be the case. The requested fund on the application matched that which was then used with Aviva, and Aegon would have been in a position to accept the transfer. Due to issues with not being able to log in and dissatisfaction with Aegon's customer service, Mr Z requested that the transfer be cancelled and an alternative provider be sought. But this is quite different. The recommendation provided by WPS met Mr Z's requirements in terms of the product, but customer service issues meant that the transfer didn't proceed.

I'd agree with Mr Z that the subsequent transfer didn't meet his expectations or requirements in terms of being "self-managed" as would have been the case with the Aegon plan, but although it seems that the charging structure would have been different to the Aegon plan, it's important to note that there would have been no ongoing advice fee. The only fees set out in the recommendation were the initial advice fee and ongoing management/fund charges. And therefore, so as far as I can tell, there would have been no ongoing benefit to WPS.

Nevertheless, Mr Z was entitled to receive what he had paid WPS to source and facilitate on his behalf. But I note that, after the transfer to Aviva and Mr Z had become aware that it was self-managed, WPS offered to facilitate a transfer to the right type of plan for him at no additional cost.

Further, in terms of the service that it had provided, WPS did more than simply recommend a recipient provider. My understanding is that it recommended the transfer to Mr Z, and so it would have assessed his circumstances and objectives and then identified the recipient fund which was suitable for him. And although Mr Z decided to cancel the transfer to Aegon, as I've said above, the plan into which it initially recommended he transfer would have met his requirements. Mr Z may have been unhappy with his inability to log in and the customer service he received, but I don't think that WPS would reasonably have been able to foresee these issues.

And so, overall, given that the initially recommended plan was suitable for Mr Z's requirements, and that, after the transfer to Aviva, WPS offered to facilitate a further transfer into a self-managed plan at no additional cost, I think WPS would reasonably be entitled to retain the initial advice fee.

As such, I think the offer to facilitate the further transfer at no extra cost and the compensation offer of £350 in respect of the transfer to the Aviva pension plan is appropriate here.

But there is the possibility that, although there was no ongoing advice fee with the Aviva plan, Mr Z was charged more than would have been the case in a self-managed plan for the period of time that it was with Aviva. And so I'm setting out below how this can be addressed.

Putting things right

My aim is to put Mr Z into the position he'd be but for the incorrect transfer into the Aviva plan.

WPS Advisory Ltd should therefore compare the value of Mr Z's current self-managed pension plan, as at the date of any final decision along these lines, with its notional value had the transfer been made to it on the date that the funds were transferred to Aviva instead.

If there's a loss, this should in the first instance be paid to Mr Z's pension plan to make it up to the value it should now have, but if this isn't possible or has other implications which would be to Mr Z's financial detriment, then it should be paid directly to him. This should account for the post tax free cash (25% of the fund value) income tax which Mr Z would pay on that sum if it remained invested within the pension plan, presumed to be 20%. And so a notional deduction of 15% would be appropriate.

WPS Advisory Ltd should also pay Mr Z £350 in respect of the distress and inconvenience caused to him by the transfer to Aviva."

WPS hasn't responded to the decision, but Mr Z has said the following:

- The transfer to Aegon didn't work and this wasn't his fault. He spent a considerable amount of time trying to resolve it with Aegon and but was unable to.
- He shouldn't have been left to fix what WPS had got wrong, whether this was an incorrect NI number or something else.
- WPS still needed to find a suitable provider for him and suggested Aviva.
- Although I'd said in the provisional decision that the transfer to Aviva could have been corrected by WPS changing the plan to being self-managed, he would have still needed to contact WPS each time he wished to undertake the self-management of his pension fund.
- This wasn't what had been agreed and wasn't a self-managed fund if WPS would still need to be involved.
- WPS failed to set up the plan which he'd requested and had admitted this in its response to his complaint.
- Mr Z referred to an analogy of him being contracted to paint a house red, but painting it white and then asking the owners to view it through rose-coloured spectacles. This wouldn't be the right thing to do.
- In this case, he would need to put it right and pay for it out of his own pocket. In the case of his pension, he fixed it himself and wanted his money back.

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, whilst I'm sorry to disappoint Mr Z, my findings are unchanged from those set out in the provisional decision.

I acknowledge Mr Z's strength of feeling on the matter, but my view remains that the original recommendation provided by WPS met Mr Z's requirements in terms of the product, and it was customer service issues which meant that the transfer didn't proceed.

In terms of what WPS then offered to do to correct the subsequent transfer to the non self-managed plan, it actually offered to source a different platform which would have been appropriate for Mr Z's needs. It didn't just offer to convert the existing plan into one which would mean that he would still have to go through WPS to manage his pension fund. It offered to put him into a plan which would mean he was able to self-manage without the involvement of WPS.

Or to put it another way, and to extend Mr Z's colourful analogy, WPS wasn't simply asking him to view the house through rose-coloured spectacles, but rather was offering to repaint the house in the originally agreed colour at no extra cost to Mr Z.

Putting things right

As set out previously, my aim is to put Mr Z into the position he'd be but for the incorrect transfer into the Aviva plan.

WPS Advisory Ltd should therefore compare the value of Mr Z's current self-managed pension plan, as at the date of this decision, with its notional value had the transfer been made to it on the date that the funds were transferred to Aviva instead.

If there's a loss, this should in the first instance be paid to Mr Z's pension plan to make it up to the value it should now have, but if this isn't possible or has other implications which would be to Mr Z's financial detriment, then it should be paid directly to him. This should account for the post tax free cash (25% of the fund value) income tax which Mr Z would pay on that sum if it remained invested within the pension plan, presumed to be 20%. And so a notional deduction of 15% would be appropriate.

Payment of any redress due should be made within 28 days of WPS Advisory Ltd being notified of Mr Z's acceptance of this decision. If it isn't, then interest at 8% simple pa should be added to the redress amount from the date of this decision to the date of settlement.

WPS Advisory Ltd should also pay Mr Z £350 in respect of the distress and inconvenience caused to him by the transfer to Aviva.

My final decision

My final decision is that I partially uphold the complaint and direct WPS Advisory Ltd to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 3 December 2025.

Philip Miller
Ombudsman