

## **The complaint**

Mrs F complains, in essence, that Investec Wealth & Investment Limited (“Investec”) advised her to invest in offshore investment bonds in 2012 and 2016 but failed to advise her to put in place arrangements that could shelter the proceeds from inheritance tax (“IHT”).

Her complaint includes that Investec led her to believe such arrangements were in place and Investec ought to have taken steps that would’ve corrected her misunderstanding.

Mrs F seeks an indemnity for the IHT that might arise on the bonds – and redress for the cost of taking advice and putting in place arrangements to address that liability and the cost of policy premiums she has paid or will pay to insure the liability in the meantime.

She also points out spending was funded from her ISA due to the belief the bonds would be outside her estate – and also that Investec advised her to surrender IHT life cover on the basis the bonds were IHT free, although she didn’t act on this advice.

In bringing her complaint, Mrs F is assisted by professional representatives who have mostly argued her case on her behalf. For simplicity, in this decision I’ve just referred to Mrs F when referring to things said or done by her or on her behalf by her representatives.

The complaint is brought by Mrs F alone. The bonds were taken in joint names but on her husband’s passing these passed to Mrs F and the detriment alleged is detriment she has suffered or may suffer in the form of costs and future liabilities for her estate.

## **What happened**

My provisional decision of 16 October 2025 set out circumstances relevant to the complaint in the following terms:

### *Background and circumstances*

In addition to the 2012 and 2016 offshore bonds (“bond 1” and “bond 2” or “the bonds”), Mrs F also had what was described as a bond (the “onshore bond”) taken with a provider from the same provider or group as bond 2.

Mrs F was a long-standing customer of a firm Investec acquired in 2012 whose staff still served Mrs F after the acquisition. Staff at that firm had worked for other firms before while serving Mrs F throughout. Mrs F emphasises her relationship with those who would become Investec representatives was advisory in nature throughout and didn’t change in 2012.

In support of this she points to a letter of 3 June 1999 in which an Investec predecessor told Mrs F it could structure her investments to meet her income requirements while achieving capital growth. It said it was analysing her PEPs and ISAs. It offered to work for an annual management charge based on investment value *“If you would like us to look after your investments”*. A 30 June 1999 letter from that firm confirmed a £50000 top up to an onshore bond, giving details of the units bought, charges and allocation rates. It also says a monthly income is to be paid and states the amount of this and the start date of July 1999.

Mrs F also refers to a June 2005 article that reported the transfer of “*IFA relationships*” to support what she says about the advisory relationship. She also emphasises that a letter dated 13 June 2006 notes the service to her as an “*Advisory Managed*” service. A letter of 2006 shows the charges for this were a 0.25% annual management charge plus dealing costs. There is no reference to any other sort of charge, for example for advice.

Mrs F says the nature of the service she received throughout didn't change. She says under its terms she would receive bi-annual reviews of her investment portfolio. She says Investec would assess the performance of the investments, discuss annual contributions, ascertain any changes to her income position or capital needs and discuss her financial objectives and how best to achieve them (including which stocks to sell and where best to draw cash from). Meetings were supplemented by telephone calls and other correspondence as required.

In July 2012 Mrs F and her husband approached Investec about investing around £400,000 from the sale of a property. Investec says the Investec representatives weren't authorised to give financial advice and so a financial adviser was engaged to help “establish” a bond with Investec to be the investment manager. But the financial adviser acted on an execution only basis and didn't provide any advice. So insofar as Mrs F relied on financial advice in this transaction, it was advice given by Investec. Our investigator therefore thought that Investec had given advice when it shouldn't have done so.

The advice Mrs F alleges Investec gave was that house sale proceeds should be invested into bond 1 to be managed by Investec. She also alleges Investec led her to believe the bond would fall outside her estate for IHT (or the estates of her and her husband) after seven years.

Mrs F says IHT planning wasn't her motive when bond 1 was started but as time passed and her husband became unwell and then died, the minimisation of IHT (and other tax) liabilities became a priority for her. She says she wasn't generating new wealth and her main concern was managing her assets for herself and her children.

In November 2014 Mrs F asked whether half of bond 1 would end on first death or would it “*revert to one owner and continue*”. She also asked about the IHT status of the premiums she paid for a life policy. On 2 December 2014 Investec told her premiums would be outside the estate immediately if covered by the £3000 annual exemption but otherwise wouldn't. She was told “*You and [Mr F] are the 'settlers' and also lives assured. Additionally [names] are lives assured. The bond is on a 'last survivor' basis so can stay in force for all of your lifetimes ie it is 'generational'.*” Our investigator said this meant the bond would continue after first death – so it answered the question about whether the bond would continue. It didn't answer the question of who would own it after first death, but Mrs F's question had assumed if it didn't end on first death ownership would revert to one owner.

Mrs F replied that day: “*Thank you that's a big help so in fact if it's generational is it deemed outside our estates for IHT? We have also spoken to our advisor at [an IFA] re [Mrs F's husband's] pension etc and endowment and know where we stand so that's ok too. It's simply putting our affairs in order.*”

On 5 December 2014 she asked again: “*Got the email from [Investec] thank you re terms of the bond which is excellent as its generational but as we are the 'settlers' still must be stupid - does that mean it is outside our estates for IHT?*”

Mrs F says because she didn't receive a reply to her email of 2 December 2014 she followed up with [Investec] on 5 December 2014, but she is unable to verify whether she received an email response in answer to her question - nearly 10 years have passed since and it was a difficult time for her with her husband's illness.

Mrs F says her emails of 2 and 5 December 2014 asking whether bond 1 was outside her and her husband's estate, were sent at a time they were putting their affairs in order due to her husband's illness. She says the emails evidence a changed approach to her financial planning and her understanding at that time of the IHT position of bond 1, which Investec did not and ought to have corrected.

After the death of her husband Mrs F had further funds in 2016 and she says she again sought advice from Investec and as a result invested £250,000 into bond 2. In that instance Investec again engaged a financial adviser to help "establish" the bond. The adviser in that case gave advice that was specifically restricted to recommending a bond to be managed by Investec – so consideration to other options wasn't given.

Mrs F says a 26 February 2016 email shows IHT influenced her decision making before investing in bond 2 – in that she says she understood bond 1 would fall outside her estate for IHT purposes after 7 years – and she was advised by Investec that bond 2 worked the same way as bond 1. There are two emails of that date. Investec wrote to Mrs F saying:

*"[An endowment] This will form part of [Mrs F's husband's] Estate and payment will be made to you after Probate is issued...."*

*"[Mrs F's husband's employer's pension] The benefits will be paid to you and do not form part of [Mrs F's husband's] Estate."*

*"[Mrs F's husband's] Personal Pension. There are more options on payment. Can I give you a call after midday today? [Name] mentioned on the phone you may be reconsidering the amounts allocated to the girls."*

Mrs F replied saying:

*"Yes I have reconsidered after a valuable conversation with [names]. Basically not to rush to give away the money as I don't know what I might need and the girls will inherit it all anyway. So I have told them [Mrs F's husband] wanted to give them something now £5000 each which they are thrilled with after I get probate and I am trying to find the best vehicle for their me and their (sic) future inheritance. As there is this valuable waiver in the margin of the [Mrs F's husband's pension] that's why [name of the pension adviser for Mrs F's husband's pension] felt we should consider carefully with that as I could then hand over a bit more if appropriate."*

Mrs F has said the personal pension above was outside her estate and could be assigned at any time and the pension adviser advised her to think carefully before cashing it in. She says it was cashed in and reinvested into bond 2 and that this was on Investec's advice.

It seems Investec suggested she add more to bond 1, but a 2 April 2016 email from Mrs F said she was concerned with *"Having all my eggs in one basket at [bond 1 provider]"*. So on 3 April 2016 Investec agreed to provide quotes from the bond 1 provider and also from the provider that would eventually be selected [the bond 2 provider]. Investec said:

*"I'm arranging full details from [bond 1 provider] including a quote and can go through all costs compared with [what would be bond 2 provider] with you. I would prefer an investment in a non with profits fund although I realise this has been a solid investment for you."* What followed was a promise from Investec on 16 April 2016 of *"performance info"* and *"quotes"*.

On 1 May 2016 Investec emailed Mrs F saying:

*“As we discussed, we think a further investment into an investment bond is the most appropriate for you. The bond would be in your name but with your two daughters as 'lives assured' so the bond is 'inter-generational'. You can take tax efficient withdrawals from the bond when required but, as discussed, for the present we have provided the illustrations on the basis that withdrawals are not taken. We can confirm the investment amount when we meet, but the two illustrations attached are based on £250,000.*

*In the future, for example, you could make withdrawals of £10,000 pa, which is equivalent to 4% of the initial investment for a period of 25 years without liability to tax. This could be increased to £12,500pa (equivalent to 5% of the initial investment) for 20 years. But we are more 'comfortable' with the lower withdrawal taking into account our medium / longer term outlook, if an objective is to try to maintain capital values.*

*...Our suggestion is that you utilise [bond 2 provider]. This is lower cost and, if in the future, it is appropriate to utilise their with profits fund you can do so. As a long term investor with [bond 2 provider's] WP fund you have achieved good returns and have terminal bonus allocations. But... In our view this is not an appropriate time to increase your investment to the with profits fund, but future flexibility for investment is retained.”*

Mrs F queried some of the information given about charges and Investec said it would check this. It also said on 3 May 2016: *“We are not receiving any initial fee. It is the providers initial charge and we use a third party to 'establish' the bond. That is the same situation when the first [bond 1] offshore bond was established for you.”*

Mrs F says Investec at that time reassured her that bond 2 would be on the same terms and that there was no difference between *“DFM Investec”* and *“DAM Investec”*. She says this led her to believe *“that [bond 2] would operate in the same way as [bond 1] from an IHT planning perspective.”*

What Mrs F had asked was *“On the [bond 1 provider] quote it says the money will be put in the DFM Investec but the [bond 2 provider] says DAM Investec. So does that stand for Discretionary Fund Management? What is DAM Investec?”* Investec told Mrs F both DAM and DFM referred to Investec as investment manager.

On 20 May 2016 Investec emailed Mrs F saying: *“Attached is a revised quote for the new [bond 2] offshore investment bond confirming a total initial set up charge of 1.5% made by [bond 2 provider] and the independent financial adviser [IFA] required to establish the bond. Investec do not make any initial charge.”* The IFA got £1750 for its work.

Mrs F says: *“As above, Investec instructed a third party... to establish [bond 2] ... but, as noted above, it was Investec who recommended and arranged the investment. The decision to cash in the ... Personal Pension and invest the monies in [bond 2] had already been taken at this point... [the IFA] played no part in Mrs F's decision to invest in [bond 2]. Mrs F relied upon Investec's advice and was, notably, particularly vulnerable at this time in the wake of her husband's death. Investec brought paperwork for Mrs F to sign at this meeting and had dinner with Investec and [the agent's wife] after the meeting.”*

A “Suitability Report” was prepared by the IFA on 6 June 2016. I note the following passages from it relating to how the bond would be set up and to its tax situation:

*“As our instructions stand, the Bond would be written on the basis that its value would be paid out after the death of all of the lives assured.”*

And:

*“If you are UK domiciled and your bond isn’t in trust, your estate may have to pay inheritance tax on it when you die. If your bond is written under trust, special tax rules apply.”*

Mrs F points out that the IFA did not meet with Mrs F or otherwise seek to discuss her financial circumstances with her. The IFA notes within the Report that he *“based [his] advice and plan recommendation on [her] current requirements as set out to [him] by [Investec] and the limited personal and financial circumstances that have been disclosed to [him]”*.

The IFA also noted that he had been asked to *“restrict [his] advice to purely recommending an Offshore Investment Bond in respect of £250,000 that [Mrs F] currently wish[ed] to make”* as an investment.

Mrs F notes that Investec then produced an Investment Proposal in connection with bond 2 in June 2016. She points out this didn’t address her wider financial needs or financial planning. She says like bond 1, bond 2 was to be managed by Investec on a discretionary managed basis, but she continued to retain Investec on an advisory basis more generally.

Mrs F says that as with bond 1 it was her understanding that monies held within bond 2 would, after the passage of 7 years, not attract any liability for IHT. She says she was advised that it operated upon the same basis as bond 1 and in understanding the IHT implications she relied entirely upon Investec as her financial adviser.

Mrs F says our investigator appears to accept that Investec advised Mrs F to invest in bond 1 but not bond 2 but the basis of the distinction is unclear. She says it is wrong to suggest the adviser’s report for bond 2 relieves Investec of responsibility given the decision to invest in bond 2 was made based on Investec’s advice before the report was produced. She says a letter of 8 July 2016 attempted to relieve Investec of responsibility but this was a sham. It claimed the financial adviser had *“undertaken a full fact find on your financial circumstances and has deemed that our service is suitable for your requirements”* but the adviser’s (IFA’s) report was clear the adviser didn’t conduct such a report and there was never any question of Mrs F using anyone other than Investec to manage the bonds.

Mrs F says it is clear the recommendation to invest in bond 2 came from Investec despite the paper trail Investec laid to try to support the idea it did not provide regulated advice in respect of the bond 2.

A 25 October 2017 meeting note shows Investec discussed with Mrs F the use of her capital gains tax allowance and her ISA allowance (*“Has used £9612 leaving £1688. We agreed to leave this intact until later in the tax year... will not make an ISA subscription until later in the year”*), discussed income needs *“will need to replace £1700 pension income and £435 [onshore] bond income per month during 2018. The pension will stop in June and the [onshore bond] will stop in April. As such she expects to need to start taking from [the bonds]. Perhaps mostly from [bond 1] as it has built up over the last 4 years and this would then enable [bond 2] to build further”*.

It also says: *“We discussed that she could take more from her ISAs as this currently falls inside her estate and so would be subject to IHT – something that [Mrs F] would like to keep to a minimum.”* It discusses some other income needs. It also says: *“[Mrs F] has asked for suggestions about where she could invest the [onshore] bond not with [Investec] when it redeems in April 2018 which she estimates to be about £100k. Could she top up one of the existing bonds?”*

Mrs F says this file note shows consideration being given to IHT after her husband’s death.

Mrs F has said the 25 June 2018 Investec meeting note gives a good illustration of the structure of Investec's reviews. The note discusses amongst other things Mrs F's income needs and possible sources for these. It also says: "*[Mrs F] estimates her total assets to be about £1.5m. Her life assurance is for £350k and she estimates that this should cover any IHT liability.*"

Of the bonds it also says "*We agreed to increase SO from the ISA and to draw from [bond 1] (all now in place) [Mrs F's] income is now sufficient after having rebased the ISA SO and starting the drawing from [bond 1] We agreed to leave [bond 2] intact so that it has more time to grow before starting*".

Mrs F says this note shows consideration being given to IHT liabilities in the reviews that took place with Investec. She says the assessment of her IHT exposure (that is the estimate in the note) was based on bond 1 and bond 2 not attracting IHT upon her death (on the basis that she hoped she would live for at least another 5 years).

Mrs F says Investec acted in breach of its duties in advising her to invest in the bonds, particularly bond 2 where IHT planning was an express factor in her decision-making, and in failing to correctly advise her in respect of the IHT position concerning the bonds pursuant to the terms of its ongoing "Advisory Managed" retainer.

Mrs F says even if this wasn't an express term of the engagement, it was an implied term that a financial adviser will carry out their mandate and the tasks associated with it with reasonable skill, care and diligence. In doing so, whilst not an exhaustive list, a financial adviser must pay due regard to the interests of their client, treat their client fairly, communicate information to them in a clear, fair and not misleading way, take reasonable care to ensure the suitability of its advice and ensure that their advice is unbiased and based upon a comprehensive and fair analysis. She says Investec failed to do this.

Mrs F says she was repeatedly advised after December 2014 that the bonds (bond 1 and then when it was set up later after in 2016, bond 2), would fall outside of her estate for IHT purposes (after the passage of 7 years), including within the bi-annual review meetings that took place and in the context of insurance renewals.

Mrs F says Investec specifically advised her at review meetings that the bonds fell outside her estate for IHT after 7 years - it wasn't the description in emails of 1 to 5 December 2014 of the bonds as "*generational*" that led her to believe this. She says Investec hasn't produced any evidence to refute this and so we should conclude this is more likely given that Investec accepts it at times proceeded on the misunderstanding that the bonds did fall outside her estate in this way and did advise her on that basis. Where Investec accepts it understood the bonds to fall outside her estate, Mrs F says there is no proper basis to reject her position.

She points out Investec had been working on the assumption that the bonds would fall outside the estate from at least 2019.

Mrs F says IHT was a significant factor in her financial planning from 2016 onwards and Investec was under a duty to, at the very least, disabuse her of her misunderstanding that the bonds would not be exempt from IHT after the passage of 7 years.

Mrs F says if Investec didn't consider the terms of its engagement extended to IHT planning, this should have been expressly made clear to Mrs F – so Investec, on its case, had a duty to direct Mrs F to an alternative adviser.

Mrs F is confident the Investec representative who was her trusted adviser for over 15 years would have supported her account had he still been alive and she is extremely disappointed

by the approach adopted by Investec after his death.

Investec agreed to give Mrs F £1000 and up to £7500 for the cost of financial planning advice – because its representatives couldn't give advice but had strayed into advice areas they shouldn't have. It agreed Mrs F needed to get fresh advice from an authorised adviser to put her affairs back on track. But it didn't accept that it had misadvised her or misled her about the IHT treatment of the bonds.

Our investigator thought this offer was fair. In summary he thought bond 1 was one Mrs F could've been suitably advised to take out, so Investec wasn't at fault for her having invested in it. He didn't think Investec had misled Mrs F into believing the bond proceeds would be outside her estate. He thought Investec treated the bond as outside the estate in later years due to a misunderstanding that arose after Mrs F's main Investec contact retired. He thought this may have arisen due to Mrs F's interpretation of the phrase "intergenerational". He noted she had said: "*We were assured that it was an intergenerational bond and would only end on the death of the last survivor. No mention was made of it being within our estates.*" He also didn't think the evidence suggested the bonds had been written in trust or that Mrs F had been misled by Investec into thinking they had. Our investigator also thought it was clear that any advice given on bond 2 was given by the IFA and not by Investec.

- *Provisional decision text ends.*

My provisional decision set out my provisional findings in the following terms:

*What I've provisionally decided – and why*

...I've arrived at similar conclusions as our investigator, for similar reasons. But in my view those conclusions on merits apply to the 2016 bond as well as the 2012 bond - it wasn't right to say Investec gave no advice on the 2016 bond. It plainly did, as Mrs F has argued. But this doesn't mean Investec recommended bond 2 as being something that was or would be outside Mrs F's estate for IHT purpose, or that the bond ought to have fallen outside her estate to be suitable for her objectives at that time, or that Investec agreed to undertake IHT planning for Mrs F. I don't think it did. I'll explain my reasoning briefly.

Looking at the nature of the relationship, in my view the 1999 exchanges are consistent with the service provided being one of investment management. The analysis of her investments was investment analysis, and the offer was to manage her investments to meet investment objectives such as income needs. The exchanges to my mind don't suggest the service offered or charged for concerned advising Mrs F more generally on her circumstances.

Likewise, the 2006 letter referring to an "*Advisory Managed*" service is to my mind still in keeping with an investment management service but where investment changes must be approved by the customer before they are made – and so are 'advisory', rather than being made at the manager's discretion as with a 'discretionary managed' service. Charges of 0.25% of the sum managed, paid yearly, plus dealing costs, are also consistent with the service being an investment management service. There wasn't an advice charge for advice.

That said, it doesn't necessarily follow that Investec didn't provide or offer to provide another sort of service later. But Mrs F says the nature of the service was consistent throughout. So I merely observe here that in those earlier arrangements the service being provided to Mrs F by Investec's predecessors appears to have been one of investment management.

In this regard what Mrs F says about bi-annual portfolio reviews (supplemented by phone calls and other correspondence) assessing performance and discussing which holdings to sell to meet her income objectives, or discussing additions to the portfolio, again appears to

fall within the ambit of investment management broadly. It doesn't make me think Investec agreed to provide Mrs F with inheritance tax planning advice or undertook to assess how avoiding inheritance tax ranked alongside or interacted with other objectives she had.

Turning to the situation in 2012, insofar as Investec gave advice it appears it advised Mrs F to invest funds into bond 1 which it would manage. But I've nothing persuasive to suggest this involved misleading Mrs F about the future IHT status of the bond. Our investigator thought advice to use a bond in 2012 wasn't unsuitable advice. But there is no complaint here about either of the bonds as a choice of investment vehicle, so Investec advising or encouraging Mrs F to use the bonds isn't a reason for upholding her complaint or awarding the redress for potential inheritance tax losses or IHT planning costs that she seeks.

The complaint about the bonds relates to their IHT status. In this regard what I've seen does not make me think that Investec undertook in 2012 to ensure that bond 1 was structured so as to fall outside Mrs F's estate for IHT – or that Investec ought to have done so. Mrs F accepts that in 2012 IHT planning wasn't a priority, in light of which it would be surprising if the bond was set up to cater for that or if Investec misled her about that at that time.

I've not seen anything to suggest Mrs F was told in 2012 that bond 1 might fall outside her estate at some point – or that what Investec did or said in 2012 was responsible for Mrs F believing later that this was the case. The fact Mrs F asked about the IHT position of bond 1 in 2014, in fact tends to suggest that Investec hadn't told her in 2012 the bond would fall outside her estate. What she said in 2014 to Investec made no reference to Investec having previously advised her that the bond would fall outside her estate for IHT purposes or that having the bond fall outside her estate in future had motivated how the bond was structured.

Mrs F was asking Investec in 2014 about the IHT status of the bond. Her question doesn't suggest to me that she approached Investec with the impression the bond was or would fall outside her estate for IHT purposes. Her initial thought was that on first death the share of the bond not owned by the survivor would either pass to the survivor or end – neither of which speaks to any IHT saving. So I think it fair to say she didn't know its IHT status, rather than that she came to Investec with an incorrect view on IHT that Investec needed to correct.

Looking closely at what was said in 2014, I can't see that Investec advised or told Mrs F that bond 1 was outside her or her husband's estate or – as Mrs F complains she was led to believe - would fall outside seven years after its start date. This latter point concerns the use or applicability of a specific way of mitigating or saving IHT, and I've seen nothing to suggest Investec went into that or discussed that with Mrs F at that time.

I do not know what answer Investec gave Mrs F – or if it gave her an answer. On balance I'm not persuaded the evidence suggests I ought to conclude Investec's response misinformed Mrs F or otherwise misled her into wrongly thinking bond 1 would fall outside her estate in future. The 'generational' or 'last survivor' basis of the bond had no bearing on its IHT status at all. If Mrs F did get an answer from Investec about this, I don't see that it is more likely than not that Investec would've given the wrong answer.

Mrs F says her 2014 emails evidence an increased emphasis on the importance to her of IHT estate planning, due to her husband's illness. I accept Mrs F did want to know what the IHT position of the bond was, and that this was of more interest to her at that point than before. But wanting to know if an arrangement has the extra benefit of offering a way to reduce future IHT, isn't the same as being willing to incur costs and make changes to existing arrangements to reduce IHT.

Mrs F says she was repeatedly advised after December 2014 that the bonds (bond 1 and then when it was set up later in 2016, bond 2), would fall outside her estate for IHT purposes

(after the passage of 7 years), including within the bi-annual review meetings that took place and in the context of insurance renewals. But what I've seen doesn't in my view support this.

In saying this I note that in 2016 the suitability report covered the IHT position of bond 2 – which Mrs F says, rightly, she was given to understand was essentially the same in nature as bond 1. The suitability report made clear if the bond wasn't written in trust, IHT could be payable on its proceeds. There was no suggestion that having younger family members as lives assured, like bond 1, would in itself place the bond proceeds outside her estate.

So on the basis that Mrs F regarded bond 1 and bond 2 as working in the same way – which they did – the information in 2016 told her that the proceeds of bond 1 would not be outside the estate unless in trust. But there's no suggestion the bonds were inside any sort of trust - unlike a life policy she had which was in trust.

I accept the suitability letter for bond 2 was provided by an adviser with whom Mrs F had little or no direct dealings. But I can't overlook that this set out in writing facts about IHT which, on Mrs F's account, was a matter of interest to her at the time. If it wasn't of interest, then I would understand that she might have given this little attention at the time. But that would tend to undermine the suggestion that Mrs F would have taken steps and incurred costs to avoid IHT at that time had Investec acted differently or done more (for example by directing her to pay for advice on IHT elsewhere).

Our investigator said we couldn't look into bond 2 specifically, because the advice to take the bond was given by the third party IFA. I don't think that is right. The IFA's advice in my view broke the chain of causation and relieved Investec of responsibility only insofar as the IFA explicitly agreed to take on that responsibility – and the degree of responsibility the IFA took on was very much restricted. In effect the IFA agreed bond 2 was suitable as a choice of bond if Mrs F wanted to invest money in a bond to be managed by Investec. But the idea of her investing in a bond to be managed by Investec plainly came from Investec. It had initially suggested she invest in her existing bond but then sourced the bond 2 provider quote and discouraged Mrs F from using the with-profits fund for the investment of bond 2.

But, as I've pointed out, there is no suggestion or complaint that investing her money in a bond in this way was unsuitable. The issue is not whether Investec encouraged Mrs F to take out bond 1 or bond 2 – which it plainly did - but whether in doing so Investec led Mrs F to believe this would have IHT benefits which it didn't have. But, as I've discussed in the context of bond 1, I can't see that Investec did at any time mislead Mrs F in that way – and the specific information given to Mrs F in writing in 2016 about bond 2 plainly contradicted this idea at that time.

I note Mrs F's chief argument for bond 2 isn't that Investec made representations about it at the time she took it out, but that she (correctly) understood it was no different to bond 1 and she was misled about the status of bond 1. So if her complaint about what she was told doesn't succeed for bond 1, this applies too to her complaint about bond 2.

I'd add that in 2016 Mrs F suspected and Investec confirmed to her that DFM and DAM referred to the identity of Investec as investment manager. I don't see how the inference Mrs F suggests she made - that somehow this meant something for the IHT treatment of the two bonds - is at all supported by that exchange.

Mrs F points out Investec's Investment Proposal for bond 2 in June 2016 didn't address her wider financial needs or financial planning. But this merely reinforces the idea that wider IHT planning wasn't something Investec had agreed to address.

Indeed I've seen nothing to suggest Investec ever set out for Mrs F an assessment of the

value of all her assets and estimated the potential IHT liability for her – which would be the first step in advising on such a liability. The notes I've seen only make piecemeal reference to assets and asset values she held. They don't appear to attempt to be comprehensive. If Mrs F wanted an assessment of her overall position, she needed to obtain this elsewhere, and I think she must have known this because nothing I've seen from Investec could reasonably be viewed as amounting to this sort of assessment.

With that in mind, I don't see that Investec would've been at fault for not pointing out to Mrs F that it was not giving her IHT advice on her overall position – because I don't agree that there was a suggestion – explicit or through a course of conduct - that this is what it was doing. Indeed, what advice she did get in 2016 on the IHT position of bond 2 was from the IFA and indicated the bond would not be free of IHT as it wasn't in trust.

Factual reference to sums that could be covered by annual exemptions doesn't in my view amount to an undertaking by Investec to carry out IHT planning advice for Mrs F's circumstances. Where estimates of her potential overall IHT liability were made, they appear to have been made by Mrs F and provided to Investec, rather than the other way around. Overall, the evidence I have isn't of Mrs F asking Investec to assess her overall situation and undertake IHT planning for her that took into account all of her assets.

In the discussions with Investec that led to Mrs F taking out bond 2, the absence of any reference to IHT considerations is striking. It doesn't tend to support the view that Mrs F at that time was willing to make decisions and incur expenses of the kind needed if she wanted to prioritise IHT planning and reducing future IHT. Broadly speaking, saving on IHT using the seven year rule requires assets or rights to assets to be given away. If the liability is insured in the meantime, or instead, this involves paying for insurance. There can be other costs associated with the process too, as with other IHT planning methods.

I note also Mrs F might have had a pension of her husband's paid to beneficiaries free of IHT in 2016. She decided not to do so and to retain control and ownership of the funds herself. Mrs F says Investec advised her to cash in her pension and then reinvest the funds into a bond. But I've seen no evidence of this.

I say this bearing in mind that other financial firms were involved in providing advice and information on Mrs F's husband's pensions at that time. I also note the pension did need to be paid out to someone (it could not continue after her husband died). What I have suggests Investec advised Mrs F on how funds might be invested after she had decided to have them paid to her rather than passing them to other beneficiaries.

In this regard I note too that Mrs F decided against making larger gifts initially contemplated after her husband died (£25,000 figures had been contemplated with £5000 given instead). This decision was made in discussion with her family and was in keeping with the decision not to give away the pension fund but to keep funds in case Mrs F needed them. So the decisions Mrs F made point to a wish at that time to retain control and potential use of funds rather than giving up control or potential use of the funds to beneficiaries.

I'd add that if Mrs F had wanted advice on the IHT situation connected with how she might inherit or otherwise use proceeds from her husband's estate, this was advice that would need to take account of all her circumstances – and of all assets she might inherit from her husband. She had decisions as to whether or how to distribute funds, how any unused IHT nil band she inherited should be used and so on. What I've seen doesn't suggest Mrs F made those decisions based on advice or financial planning that Investec carried out for her. To deal with these issues substantive discussions would've needed to take place. There is no evidence Investec was party to such discussions or undertook any financial planning within such discussions. As noted, Mrs F discussed the pension with other parties.

I note that in 2017 Investec, when discussing how she might draw income from the portfolio it was managing, noted that spending money from an ISA Mrs F owned would reduce her estate for IHT and that she wished to keep inheritance tax to a minimum. But that isn't the same as being willing to pay to reduce IHT. Nor does this fleeting reference to a preference for avoiding IHT make me think Investec agreed at any stage to carry out IHT planning for Mrs F or to give her IHT advice on her overall circumstances.

Also I note that in 2018 Investec suggested income be taken first from bond 1 rather than bond 2, to allow bond 2 to grow – and Mrs F accepted this. But if her priority for the bonds had been IHT saving, with the understanding that the earliest bond would fall outside her estate soonest – and in fact four years before the later one – then I don't see how it would've made sense to her to take income from bond 2 instead of bond 1. My conclusion is Mrs F at that time hadn't been advised by Investec that the bonds would fall outside her estate in that way and did not have this as a priority or believe this to be so.

I'd add that looking at how Investec was paid, it was paid for investment management through a percentage of the money being managed. It didn't make any separate charges for advice. If additional funds were added, Investec would benefit from the larger amount under management. But it didn't benefit from commission on the sale of the products. This doesn't mean it wasn't giving advice, but while there would be an incentive to have Mrs F add more to her Investec investments, there wasn't any incentive for Investec to give IHT advice.

I don't overlook that from 2019 Investec advised or suggested that Mrs F take funds from her ISA rather than the bond, on the understanding that the bonds were outside the estate. But I've not identified any evidence to suggest this misunderstanding arose from Investec – nor do I consider Investec had a duty in that period to check information Mrs F provided of that kind or otherwise undertake IHT planning work for her. Mrs F says her misunderstanding about the bonds ought to have been corrected in later years by Investec, but without assessing her situation or enquiring into the arrangements Mrs F had in place related to tax, I don't see that Investec could know that what she thought was in fact wrong. Mrs F says Investec should have told her she was wrong, but from what I've seen Investec didn't know she was wrong.

I accept IHT mitigation is now a priority Mrs F is willing to pay for. But it isn't straightforward to say steps Mrs F has taken recently would likely have been taken by her in the same way at an earlier stage had Investec behaved differently. An investor's willingness to bear IHT planning costs commonly increases with age. Giving funds away or giving up control of them is easier to do later in life as uncertainty over what assets or how much might be needed to keep funding one's lifestyle, diminish over time. The longer assets are likely to be needed, the more impact uncertain factors like inflation or investment growth rates can have.

But in any event, I don't find Investec was under a duty prior to 2019 to give Mrs F advice on her IHT situation or to investigate after 2018 her understanding of her IHT position to correct any misunderstanding that may have arisen on her part about it. I've not seen anything to suggest Investec advised Mrs F the bonds would be outside her estate for IHT purposes. Nor has what I've seen made me think Investec led Mrs F to believe it had carried out an assessment of her IHT position overall so that if she wanted an assessment of her IHT position she wouldn't need to seek that from a party willing to provide it for her.

It follows that I've not identified any grounds on which I could say it was fair and reasonable for Investec to be responsible for Mrs F's potential inheritance tax liability or for the cost of measures, such as insurance, she may decide to take to mitigate or pay for that liability.

If Mrs F didn't take IHT advice on her overall position, I don't believe this was due to a failing on Investec's part. But I do agree – as is acknowledged by Investec – that during the course

of its relationship with Mrs F Investec commented on matters outside its remit. It advised her too to cancel life cover, although she didn't follow that advice fortunately. Mrs F has incurred professional costs related to taking and implementing advice to get her affairs back on track since then. In my view the £7500 offered by Investec as a contribution towards her advice costs, in light of how it strayed from its remit over the period, is fair redress. It is plain too that Mrs F has incurred costs of at least £7500 for her recent professional advice.

I very much sympathise with Mrs F for the shock she must have suffered when she found out that her impression that the bonds were outside her estate was not right. In my view the sum of £1000 Investec has offered is sufficient for its share of responsibility in that regard.

It follows that I uphold Mrs F's complaint on the basis and to the extent I've discussed above.

In light its shortcomings discussed above, to put things right I find it is fair and reasonable to say Investec Wealth & Investment Limited should pay Mrs F £7500 for advice costs and also £1000 for distress and inconvenience arising from the shortcomings it has conceded above and which I have discussed briefly above.

*- Provisional decision text ends.*

Investec replied to my provisional decision saying it had no substantive comments to make but wanted to emphasise, in brief summary:

- The provisional decision says Investec advised or recommended the bonds - and says these weren't unsuitable - but the paperwork and IFA involvement clearly shows who was ultimately responsible for any such advice.
- Mrs F's adviser retired before the complaint was made, so his passing hasn't affected Investec's complaint investigation which would've been no different regardless.

Mrs F replied to my provisional decision rejecting its conclusions, providing further evidence and making further points. Her points included, in brief summary:

- I found Investec gave advice and acted 'outside its remit', contrary to Investec's denial of having provided any financial advice at all. Investec tried to mislead me and Mrs F about the scope of the services it provided, so greater weight should be given to documents from the time and to Mrs F's supporting explanation. My unwillingness to accept her version of events and my recurring presumptions in favour of Investec frustrate Mrs F.
- Mrs F doesn't suggest that Investec undertook a formal IHT planning review (or similar), but that Investec repeatedly advised her that the bonds would fall outside her estate for IHT purposes after 7 years. She is hampered by the lack of records of the advice given and of the full extent of Investec's role. But what is available is far more consistent with her account than Investec's – specifically that Investec was giving advice around IHT.
- Having accepted Investec's role in recommending the bonds, and noted the bi-annual reviews, I should accept that IHT planning was within the scope of Investec's services.
- I may think "Advisory Managed" is "in keeping with" an investment management service, but it is equally if not more suggestive of an advisory service. The fact there was no separate charge for the provision of advice isn't probative. Investec received very large sums in fees over the years from Mrs F's family, as one of Investec's biggest regional clients. These covered all aspects of financial planning.
- Wanting to know in 2014 the IHT position of the bonds, doesn't equate to a willingness to

incur costs and make changes to reduce IHT. But Investec's incompetence deprived Mrs F of the chance to review her position at this time, when IHT was becoming more of a factor in her financial planning. More significantly, she wouldn't have taken bond 2 like she did if she'd known it would not ultimately sit outside her estate for IHT. She only agreed to enter into a bond on equivalent terms to bond 1, as she had been advised bond 1 would ultimately fall outside of her estate.

- Mrs F acknowledges the suitability report for bond 2's contents and its general warning that *"If you are UK domiciled and your bond isn't in trust, your estate may have to pay inheritance tax on it when you die. If your bond is written under trust, special tax rules apply"*. But her decision to take bond 2 had already been made in reliance on Investec's advice in its email of 1 May 2016. The later report was considered a formality. The IFA's 1 July 2016 email forwarding it to Mrs F makes clear bond 2 had already *"been done"*. Its reference to *"boring our client to sleep"* didn't encourage a diligent retrospective reading of the report.
- Importantly, the suitability report didn't advise that bond 2 *wouldn't* fall outside Mrs F's estate for IHT – it just contained a general warning. Having received the assurances she had from Investec, Mrs F saw no need to investigate the position further.
- Given Investec's 1 May 2016 email, it is wrong to conclude it didn't make representations in connection with bond 2. Mrs F understood that the fact bond 2 was *"lives assured"* and *"inter-generational"* meant that it would be outside of her estate after 7 years.
- Mrs F's email of 26 February 2016 highlighted the importance of finding *"the best vehicle"* for her children's inheritance. From what Investec had explained previously, she understood the 'inter-generational' nature of the bonds took them outside of her estate after 7 years. She was clear to Investec that she wanted the funds insulated from IHT so far as possible and she is extremely upset her word hasn't been accepted on this. She was particularly vulnerable at the time and naturally leaned on her trusted advisor.
- Knowing the importance of inheritance planning and Mrs F's vulnerabilities, Investec owed her a duty to ensure she received appropriate advice to satisfy her objectives in a clear and comprehensive way - and if Investec wasn't equipped to provide that advice, it should have clearly communicated this to her and advised her to seek such advice elsewhere. Before 2023 Investec's representatives never suggested they were unable to advise Mrs F in respect of IHT or other financial planning matters.
- It is wrong to suggest that Mrs F's election in 2018 to draw income from bond 1 rather than bond 2 is inconsistent with her belief that bond 1 would fall outside her estate the following year. Mrs F didn't make this decision independently, she was acting on advice from Investec to draw from bond 1 not bond 2 as the latter hadn't made enough profit – and her aim was to draw income from profit on the bonds rather than from the capital.
- Investec accepts it assumed the bonds would fall outside Mrs F's estate since 2019, but it had in fact always advised Mrs F the bonds would fall outside her estate after 7 years. Given I accept Investec perpetuated the misunderstanding from 2019 onwards, my conclusion that Investec wouldn't have given the 'wrong answer' if asked to clarify the position, is ill-founded. It is clear Investec wrongly believed the bonds fell outside Mrs F's estate for IHT purposes from the start and it was Investec's error that led to Mrs F's misunderstanding. There is no logical source for that misunderstanding but Investec.
- Investec gave advice based upon the misunderstanding, for example advising Mrs F to draw money from ISAs instead of the bonds and if Investec had not (which Mrs F doesn't accept) formed an independent view as to the IHT position of the bonds it shouldn't have

continued to provide any advice based upon their assumed IHT status.

- Investec should have asked Mrs F about the basis of her understanding of the IHT position, at which point it would've become immediately apparent that the understanding had come from Investec and addressed accordingly. Alternatively, Investec should have clearly explained, in giving its financial advice, that it hadn't verified the IHT position of the bonds, which would have triggered a similar outcome.

Mrs F's further evidence was described by her broadly as follows (and I've summarised or quoted part of the content of the documents themselves in the brackets):

- An August 2010 meeting note (between Investec's predecessor and family of Mrs F) clearly demonstrating IHT planning was part of Investec's scope (the note is of a meeting, and it has as an agenda point of *"IHT Assessment/ Review"*).
- Emails of April and September 2016 evidencing Investec's IHT advice to other members of Mrs F's family (includes: *"it is unlikely that you will personally access your [pension], but instead use its 'protection'... of... IHT as an extremely tax efficient structure that can benefit future generations very efficiently without being assessable to IHT"*; and *"the assets [a bond in a will trust] will remain outside your... Estate for IHT purposes"*).
- A September 2016 email demonstrating the breadth of advice offered by Investec where it offered to provide individual advice to pension scheme members (*"we will be able to give individual advice if requested to [pension] scheme members"*).
- An August 2017 email where Investec provided advice regarding declaring bond 2 with HMRC for tax purposes after notification from [the IFA that provided the suitability letter for the bond] that the bond should be registered (*"I can confirm...regarding the offshore bond, you would need to be withdrawing more than 5% per year to need to declare it"*).
- A May 2020 file note recording Investec's advice that Mrs F withdraw income from her ISA, as opposed to bond 1, as the ISA was *"inside her estate for IHT"*, the implication being that bond 1 wasn't inside her estate. It says: *"Phone Call: [Mrs F] supplied me with her income details... She has just become entitled to her state pension... She receives £1166 per month from her ISA and... £1353 per month from [bond 1]. She wants to reduce her [bond 1] drawings to about £1000 per month. We talked about this and I recommended that she continue with her withdrawals from the ISA as that is inside her estate for IHT, and that she would be better placed to reduce these drawing on [bond 1]. We agreed this and I said I would arrange the necessary paperwork to facilitate it."*
- A 22 August 2023 email where Investec explained why bond 1 was not included in Mrs F's late husband's estate when he passed away (the reason being his share passed to her and as a transfer between spouses it was exempt from IHT).

Mrs F notes the above points of evidence in addition to evidence already provided, in particular the meeting notes of 25 October 2017 and 25 June 2018.

As the complaint remains unresolved, it has been passed back to me for a 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've arrived at the same conclusions as in my provisional decision and for

broadly the same reasons. I won't repeat all my earlier reasoning, as it is set out above, but I've summarised parts of it and discussed points raised since by the parties briefly below.

In short summary, I've not identified grounds on which I could say it was fair and reasonable for Investec to be responsible for Mrs F's potential inheritance tax liability or for the cost of measures, such as insurance, she may decide to take to mitigate or pay for that liability.

I agree with Mrs F that when seeking to infer what occurred, greater weight should be placed on documents contemporaneous with events than on assertions made recently. In my view such documents evidence Investec straying from its remit, but they don't show Investec as at the root of the idea, latterly shared by Mrs F and Investec, that the bonds would be outside Mrs F's estate for IHT purposes. I don't ignore that Investec advised Mrs F to take the bonds – nor overlook that Investec disputes the extent to which it strayed from its remit. But this doesn't mean the misconception that the bonds fell outside Mrs F's estate for IHT purposes originated from misleading or incorrect advice or information Investec gave Mrs F.

'Advisory managed' is a term of art to describe investment management where the manager doesn't have discretionary powers. But I accept that Investec gave advice beyond the scope of its remit. What is at issue is whether this included misrepresentations or mistakes at the root of Mrs F's misconception that the bonds were outside her estate.

My view remains that what I have doesn't suggest Investec told Mrs F in 2012 that bond 1 would fall outside her estate after seven years. The fact she asked about this two years later in my view tends to confirm this. Looking closely at what was said in 2014, I can't see that Investec advised or told Mrs F bond 1 was outside her or her husband's estate or – as Mrs F complains she was led to believe - would fall outside seven years after its start date.

Mrs F says this idea could have no other source than Investec. I'm not convinced that is so. I've noted that where estimates of her potential overall IHT liability were made, they appear to have been made by Mrs F and provided to Investec, rather than the other way around. I've not seen suggestion that Investec tutored Mrs F to make such assessments. I've noted Mrs F's late husband received advice from others on pension matters. Overall I don't think I can say that any ideas Mrs F formed about her financial or tax affairs must have originated from Investec - there is a wider picture. The absence of evidence showing that Investec gave Mrs F directly her understanding of how the seven year rule might apply to the bonds, I find to undermine not support the idea that Investec was the source of this understanding.

Mrs F accepts Investec didn't undertake formal IHT planning reviews. My view remains that if she wanted IHT planning advice she knew she would need to approach a party offering it. If she didn't take IHT advice on her overall position, I don't see that this was Investec's fault or due to a failing on its part. I don't see that Investec's interactions with her could have been or were taken to be a replacement for such a service.

I've seen nothing to persuade me Mrs F received assurances from Investec in or prior to 2016 to the effect that bond 2 would be outside her estate or that bond 1 would be outside her estate and bond 2 would operate in this way too. So I don't agree that Mrs F wouldn't have taken bond 2 if she'd known it wouldn't sit outside her estate for IHT. My view on this point is unchanged. I don't dispute that in 2016 Mrs F was thinking about how descendants might inherit assets in future. But she was also keen to make sure she didn't give away too much to descendants, who would in any case inherit the balance, as she wasn't sure how much she might need herself. In this regard she decided to inherit rather than give to others

pension funds that could've been given by her husband's estate free of IHT. So she chose to grow rather than reduce her own estate. I don't think any of this is inconsistent with the idea of taking out bonds without requiring them to offer an IHT advantage.

I note what Mrs F says about her decision to draw from bond 1 rather than bond 2 in 2018. I suggested this might undermine the idea that Mrs F thought the first bond would soon fall outside her estate. But if that isn't right it instead tends to undermine the idea that saving on IHT was an overriding priority – given that drawing from the bonds in this way would leave more funds within her estate for longer if the bond funds would fall outside the estate after seven years. That said, my conclusions here don't depend on deciding exactly why Mrs F chose to take income from the bonds in that way at that time. I accept that there may be limited value in attempting to draw inferences from this.

Turning to the additional documentation Mrs F has supplied, Investec noted correctly that unvested pensions funds were IHT free under rules at the time. An email refers to a will trust holding an investment bond and says it is outside the family member's personal estates for IHT, and I presume this was because the assets weren't owned by those family members but by the trust. On the face of it the information given in these notes was correct and it doesn't make me think Investec most likely advised Mrs F, incorrectly, that her bonds would be IHT free after seven years. Rather I remain of the view that it is noteworthy that despite numerous records Mrs F and her family have, none record Investec telling Mrs F her bonds would be IHT free in future or after seven years. The fact Mrs F says Investec repeatedly advised her of this point tends to reinforce my view that if this were so there would be more in the way of records to support this idea.

In saying this I'm mindful that it would be unfair to penalise Mrs F if an absence of evidence to support her case is the result of the relevant advice or information having been given by Investec outside of its remit and informally without keeping records it would have kept had its advice been given formally. But, looking at all I have, my view is the absence of evidence to support Mrs F's contention is not merely the result of Investec not keeping records of its suggestions or advice. Views or advice given by Investec on a range of matters not strictly within its remit were nevertheless noted and recorded in records that we have.

Investec accepts that since 2019 it operated on the premise that the bonds would fall outside Mrs F's estate on death - so advice it gave or discussions it had with Mrs F were based on that understanding. This was also Mrs F's understanding and I've found she didn't get this notion from Investec. But Mrs F says Investec ought to have enquired of her as to the basis of her understanding or explained that it hadn't verified the position – or both. She says this would have led to the error being identified.

I've thought about this carefully alongside the assertion that Investec shouldn't have given advice premised on the view that the bonds were outside Mrs F's estate for IHT purposes without first making its own assessment of the bonds' IHT position. It seems to me that these are the key points Mrs F raises, and I've not reached my view on this without due reflection.

I note the misunderstanding about the IHT status of the bonds was identified in August 2023 when Investec reviewed documentation it had been sent for one of the bonds, based on which it told Mrs F that the bond was not in trust and so would fall within her estate for IHT purposes. So I've considered whether a failing by Investec contributed to this not being spotted earlier such that this might have made a difference to her for IHT purposes.

Investec hadn't agreed to check the IHT position of the bonds or represented itself to Mrs F as having checked this. I don't see that Investec, in the period in question, ought to have thought Mrs F thought Investec had done or agreed to do any of those things. Mrs F did not tell Investec she was relying on Investec to advise her on this or that her understanding

relied on information or advice she had received from Investec. When Mrs F wanted Investec's input she would frequently ask for it. Overall, I don't consider Investec needed to point out to Mrs F that it hadn't checked or agreed to check what she had told Investec about the bonds falling outside her estate. For the same reasons, I don't see that Investec was at fault for not telling Mrs F to check her own understanding of the IHT position. From Investec's point of view, it wasn't responsible for that understanding.

I say this on the basis that Investec didn't know Mrs F's understanding was incorrect. I've not seen anything that in my view made it unreasonable for Investec to hold that attitude such that on balance it was wrong not to do more.

In 2019 in correspondence about a change of beneficiaries for life insurance Mrs F held with the provider that also provided bond 1, Investec wrongly referred to "*Offshore Bond*". Mrs F pointed this out to Investec in an email of 21 November 2019 saying of the bond: "*It isn't that one. That has dropped out of my estate as it was a generational bond set up in 2012*". Her reference to "*generational*" points to a misunderstanding by Mrs F (despite the advice letter of 2016) of what she was told in 2014 and 2016 (and what she asked about in 2014). But while this is readily discerned with those earlier discussions of 'intergenerational' in mind in light of her complaint, I don't see that this ought to have been immediately apparent in 2019 to Investec or prompted it to enquire further at that time. It was some years since those discussions and Investec was being asked to address the life insurance not the bonds. I note it was Mrs F informing Investec of the IHT position of the bond, not Investec informing Mrs F, but the question wasn't of direct relevance to the matter in hand either way.

Turning to the May 2020 phone call in which, according to Investec's note, Mrs F wanted to reduce bond drawings a little and Investec recommended she reduce these and carry on drawing from her ISA as it was "*inside her estate for IHT*". It is plain to me Investec relied on Mrs F's understanding of the IHT status of the bond during this call. On balance I don't find this was negligent or unreasonable – bearing in mind all I've already said above. There is no suggestion that Investec led or had led Mrs F to believe it had carried out an assessment of her IHT position for the purposes of what was discussed in the call, and I'm not persuaded Investec had advised Mrs F before then at any point that the bond in question would be or was outside her estate for IHT. I note incidentally had Mrs F weighted the withdrawals in some other way, the outcome from an IHT point of view would have been the same.

In summary, where Investec took the supposed IHT status into account in this later period, it was based on information given by Mrs F. Given that Investec was not establishing the facts of Mrs F's IHT position and she hadn't engaged Investec to advise on her IHT position, I don't think it unreasonable for Investec to work on that basis and assume things were as Mrs F led Investec to believe, without checking this or asking her to check it again. So on balance what I've seen doesn't make me think Investec had a duty in the period from 2019 to August 2023 to check information Mrs F provided about the IHT status of her bonds or otherwise undertake IHT planning work for her. Nor has what I've seen made me think Investec led Mrs F to believe it had carried out an assessment of her IHT position overall so that if she wanted an assessment of her IHT position she wouldn't need to seek that from a party willing to provide it for her.

I remain of the view that there were shortcomings on Investec's part, as summarised in my provisional decision. Investec hasn't said anything to change my view on that or make me think the redress I proposed was unfair or unreasonable. Mrs F has asked whether my provisional decision's proposed "*£7,500 for advice costs*" was something I contemplated as conditional - or whether it had to be paid by Investec in any event as a contribution towards costs Mrs F has incurred in respect of this matter, which was her understanding. I confirm it is the latter. My provisional decision said Mrs F's costs likely exceed this and Investec hasn't challenged this – so I don't see reason to require Mrs F to provide evidence of such costs or

for payment to be delayed for this. Also neither party has made representations about my proposed award of £1000 for distress caused to Mrs F by those shortcomings.

So in light of all I've said above, and for the reasons I've given, I uphold Mrs F's complaint in part and to the extent I've explained.

### **Putting things right**

In light its shortcomings discussed above, to put things right I find it is fair and reasonable to order Investec Wealth & Investment Limited to pay Mrs F £7500 for advice costs and £1000 for distress and inconvenience arising from these shortcomings and those it has conceded.

### **My final decision**

For the reasons I've given and in light of all I've said, I uphold Mrs F's complaint.

Investec Wealth & Investment Limited must put things right by paying Mrs F the sums I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 15 December 2025.

Richard Sheridan  
**Ombudsman**