The complaint

Mr C's complaint, about Phoenix Life Limited trading as Standard Life (Standard Life), is about the administration of his SIPP (self invested personal pension) and Standard Life's customer service.

What happened

I issued a provisional decision on 4 November 2025. I've included a shortened version here of the background I set out.

Mr C's SIPP with Standard Life was set up in 2007. He made a number of investments through his SIPP, several of which made significant losses. Different regulated firms were involved in advising on and/or arranging the investments but it was the same adviser who moved to different firms. Mr C has made claims to the Financial Services Compensation Scheme (FSCS) about two of the advisory firms he used. He's received compensation of £75,000. But his total losses exceed that.

In June 2022, through a representative, Mr C made a previous complaint to this service about Standard Life's alleged failure to carry out sufficient due diligence when accepting high risk, illiquid investments into his SIPP on the instructions of his advisers. Standard Life rejected the complaint and said it had been made outside the applicable time limits. The ombudsman who considered the complaint agreed it had been made too late.

Mr C's current complaint was made to Standard Life in September 2024. In summary, he said Standard Life's management of his SIPP had been poor and had '*neutralised*' his chances of getting redress for Standard Life's alleged lack of due diligence in respect of investments made between 2007 and 2012.

In its final response letter on 4 December 2024, Standard Life said the most recent SIPP charges would be reversed and future charges deferred – no further charges would be taken until monies were received from the investments. If funds were received, Standard Life reserved the right to take the deferred charges. Mr C had an available cash fund of £1,702.62 which he could withdraw if he wished.

Standard Life said, in the main, Mr C's concerns had already been addressed in previous complaints and correspondence. In summary, Standard Life said Mr C had an adviser in place. It was Standard Life's practice to send correspondence just to the adviser who'd be expected to contact the client. Investment values are usually updated annually, if a valuation could be obtained. Mr C's investments were held with external investment providers and Standard Life was reliant on them providing a value. If a valuation wasn't provided the last known value and date would be used. The Berkeley Burke case was in the public domain and it wasn't up to Standard Life to get in touch with Mr C about it.

Mr C referred his complaint to us. He included a detailed submission setting out why he considered Standard Life had failed him and how he'd been affected. He was seeking redress of about £150,000. The investigator discussed Mr C's concerns over the telephone

and Mr C provided further information. The investigator spoke to Mr C again before issuing his view on 21 July 2025, setting out his understanding of Mr C's complaint:

1. Standard Life didn't send letters to him as well as to his adviser.
2. Standard Life's messaging system doesn't allow customers to refer to and amalgamate messages (customer's and firm's messages) sent at different times and replies take too long.
3. Standard Life didn't proactively get regular valuations of Mr C's Sustainable Land Products Limited/Bracknell Overage Fund (Bracknell Fund).
4. Standard Life incorrectly valued the Gallium Fund Solutions Ltd and the Sycamore II Exempt Property Unit Trust.
5. His 2024 request to withdraw cash from the St Vincent Fund was unnecessarily delayed.

The investigator said the last complaint had been made outside the applicable time limits. He didn't uphold the other complaints for the reasons he set out.

Mr C strongly disagreed with the investigator's approach and conclusions, which Mr C felt trivialised the complaint, wrongly assessed the evidence and ignored critical aspects. Mr C made further detailed comments. The investigator issued a second view on 5 August 2025. He still didn't think Standard Life had done anything wrong. Mr C remained unhappy and commented further. As agreement couldn't be reached, the complaint was referred to me. As I've said above, I issued a provisional decision. I've summarised my main findings, using the same headings.

<u>Jurisdiction</u>

We're governed by the Dispute Resolution (DISP) rules set out in the FCA (Financial Conduct Authority) Handbook. DISP 2.8.2R (5) disapplies the time limits if the respondent has consented to us considering the complaint but here Standard Life hasn't consented.

DISP 2.8.2R says:

'*The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:*

(1) more than six months after the date on which the respondent sent the complainant its final response…;'

Mr C had complained to Standard Life about the delayed withdrawal from the St Vincent Fund in May 2024. Standard Life sent him its final response on 3 June 2024, upholding the complaint and confirming compensation of £350 had been paid. If Mr C remained dissatisfied he could refer his complaint to us. But he'd need to do that within six months of the date of the letter. If he didn't refer his complaint in time, we wouldn't have Standard Life's permission to consider it and we'd only be able to do so in very limited circumstances. Mr C had referred his complaint to this service in January 2025. That was more than six months after the date of Standard Life's final response. I agreed with the investigator that the complaint had been made too late. I hadn't seen anything to suggest Mr C's circumstances were exceptional.

I also commented on what Mr C had said about the queries he raised in September 2021 – that they should've been treated as a complaint. I couldn't see my colleague had expressly considered that in his decision that Mr C's previous complaint had been made too late.

I'd add that the relevant provision here is DISP 2.8.2R (2) which says we can't consider a complaint that's been referred to us:

‘(2) more than:

> *(a) six years after the event complained of; or (if later)*
> *(b) three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he had cause for complaint;*
>
> *unless the complainant referred the complaint to the respondent or to the Ombudsman within that period and has a written acknowledgement or some other record of the complaint having been received;’*

I referred to the glossary definition of ‘*complaint’* in the FCA Handbook. Mr C had raised a number of queries. But I couldn’t see there was any expression of dissatisfaction. Mr C was trying to establish exactly what had gone on, partly at least to inform his complaint. But if no complaint was actually made, time won’t stop running.

Mr C had said, about issues raised in October 2022, that Standard Life provided defensive responses which demonstrates Standard Life had decided a complaint had been made. But, and even if Standard Life may have referred to Mr C as having made a complaint, his response was that he hadn’t. He said, in his message of 24 October 2022, that he’d explained several times that he wasn’t making a complaint. He’d gone on to say he didn’t want Standard Life to treat what he’d said as a complaint, but to answer him with professionalism and understanding. So he wasn’t making a complaint.

Standard Life had issued a number of final responses. The one issued on 21 October 2021 set out the complaint – that Mr C was unhappy with the delay in responding to his information requests. So his complaint was confined to that, rather than with what the information he’d been given and/or was awaiting had revealed. There’s also a letter dated 9 November 2021 in response to a complaint he’d made on 4 November 2021 about a password for a DSAR (Data Subject Access Request). He’d been told he simply needed to call Standard Life and it would be provided to him. However, when he called, there’d been delays and someone had to call him back with the password. Again, there was no complaint about more substantive matters relating to the SIPP investments. The final response issued by Standard Life on 12 August 2022 related to Mr C’ s earlier complaint.

<u>Mr C’s current complaint</u>

Mr C didn’t think the investigator had dealt with all the points raised and the crux of the complaint – misrepresentation and poor service – had been sidelined. I explained that our role isn’t to address or comment on every point that’s been raised, or get Standard Life to do that. I’d read and considered all Mr C (and Standard Life) had said. But I’d concentrated on what I saw as Mr C’s central concerns, which I dealt with under various headings.

<u>Was Mr C sent annual statements?</u>

Mr C had said that Standard Life had said something different to what it had told us in connection with his previous complaint. So we’d asked Standard Life to confirm the position. Standard Life told us that annual statements had been sent to both Mr C and his adviser. Copies of the 2020 and 2021 annual statements sent to the adviser were provided. They say the statement is being sent to help the adviser review the client’s plan and is a copy of the statement sent to the client. I was satisfied that annual statements were sent direct to Mr C.

<u>Was it reasonable for Standard Life to send information just to Mr C’s adviser?</u>

The adviser was Mr C’s agent and information provided to the agent can be regarded as having been provided to Mr C. The adviser was the same but the firm he worked for had

changed. It's the firm that's recorded and it's the firm's regulatory status and FCA number that's important, not that of the individual adviser. Mr C's adviser would've been correctly recorded as a firm I referred to as Firm P. Mr C had also said, from July to October 2012, his adviser was Mr M at another firm (which I called Firm H) and which didn't exist – Firm H having gone into administration on 3 July 2012, before being taken over by Firm P. But I didn't necessarily agree that Firm H's demise would've been well known in the financial services industry. And I didn't think Standard Life should've carried out regular checks on the regulatory status of any firm attached to Mr C's SIPP.

<u>Standard of customer care</u>

Mr C was a Priority Customer. But his point was that the high proportion of UCIS investments held in his SIPP meant that Standard Life should've adopted a higher standard of care in his case. I said Standard Life wasn't responsible for the suitability of Mr C's SIPP investments. Or obliged to notify Mr C of the outcome of the Berkeley Burke case.

<u>Valuations for Mr C's SIPP investments</u>

Mr C was sent annual SIPP statements which should've given up to date and accurate (as far as could be ascertained) values for the SIPP investments. Standard Life had said that external investment providers normally send valuations once a year. Where a valuation on record is more than a year old, there's a dedicated team responsible for obtaining current values and dealing with requests for information.

Section 5.33 of the SIPP terms and conditions deals with '*distressed*' investments. Simply because an investment might be illiquid and/or a current value can't be provided, doesn't mean the investment should always be treated as distressed. That hinged on the investment provider's financial position. That could be hard to ascertain. Difficulties with an investment don't always come to light immediately. Investors may be told there are some issues but that these can be overcome and the investment will still deliver a return, although this might be less than originally anticipated, or the investment term might be extended. Standard Life did treat some of the investments as distressed and their values were written down.

Standard Life had accepted there were some issues with updating some investment values. I referred to what had happened with the Gallium Sycamore, Sustainable Land Products Limited/Bracknell Overage and the Guardian Analysis and Alpha Funds. Without knowing exactly what information Standard Life had and when about each of the investments, I couldn't say if Standard Life should've treated any of the other investments as distressed and written down their values earlier or if there were further examples of when Standard Life didn't do all it should've in terms of trying to obtain up to date valuations. But I hadn't investigated that further as I wasn't persuaded that any failings on Standard Life's part would've meant Mr C's losses could've been reduced or avoided.

I explained that, unlike regulated investments, UCIS can be difficult to value. They're often illiquid and involve specialised, higher risk assets, such as overseas commercial property. Their structure can be complex and will often involve gearing or borrowing. It may be very difficult to put a value on the investment midway through the term, which might be several years. It may not be apparent for some years as to how the investment is really performing. Difficulties in obtaining reliable information about an investment may signal it's in difficulties, so triggering the provisions about treating it as distressed. But, by then, it's generally too late for any of the money that's been invested to be returned. The investment may end up being wound up, with creditors not paid in full and no money returned to investors. That had, unfortunately, been Mr C's experience with some, if not most, of the investments. Against that background, I didn't think, even if the annual statements didn't always include the most

up to date values for all of the investments, that would've made a difference to the outcome and Mr C being able to recover the money he'd invested.

How Standard Life dealt with Mr C's enquiries from 2021

Delays in replying had delayed his understanding, prolonged the process and was a barrier to taking action. Mr C may have been referring to the fact that his earlier complaint to Standard Life hadn't been made until June 2022. But I wasn't revisiting the decision that complaint had been made too late. I did however point out that my colleague's view was that Mr C's actual or constructive knowledge dated back to the end of 2018 at the latest. So, any shortcomings in how Standard Life had responded to enquiries from 2021 weren't material.

Standard Life's secure messaging service

Standard Life agreed that the system doesn't allow a customer to amalgamate messages. A message sent generates a new message as the system doesn't have the functionality to add it to other active messages. But, when a response is sent by Standard Life, a thread is created and the customer and Standard Life can communicate under one secure message. The messages are saved in Mr C's mailbox so he can see and refer back to them. I said that seemed fair enough to me. And, in any event, I couldn't tell Standard Life what systems or communication channels it should have in place and how they should operate as those are commercial decisions for Standard Life.

I said that, in the main, Standard Life had handled Mr C's enquiries in a reasonable and timely manner. Taking into account that the investments had been made some years earlier and held over several years, so tracking down exactly what had happened, after the event, was likely to be somewhat involved. But there'd been some delays. For example, Mr C didn't get a reply to his message sent on 30 September 2022 until 20 October 2022 and that wasn't a substantive response. There were then some messages where Standard Life explained it was still in the process of collating all the information Mr C required. Standard Life's substantive response on 16 November 2022 was detailed and a reasonable effort to deal with Mr C's outstanding points. But it came some six weeks after his original enquiry.

Mr C had said he'd spent a lot of time working out what had gone on, including contacting investment providers direct. But, if that was because his adviser hadn't kept him fully informed, that wasn't Standard Life's responsibility. Standard Life had also refunded some charges and deferred further charges.

In relation to Merchant Place 65, that investment is now being administered by a third party who, it appears, expressed surprise that the annual report for the investment which they produce and is provided to Standard Life hadn't been shared with Mr C. If the 2022 report was produced after Firm P had been removed in February 2022, Standard Life should've shared it with Mr C. That would've presumably saved him having to contact the third party direct for information – which was complicated because he had to obtain Standard Life's authority for the third party to discuss the investment direct with him. I said Standard Life should ensure, going forwards, that relevant information (in respect of all the investments and not just Merchant Place 65) is shared with Mr C.

In summary, I found some failings on Standard Life's part. There'd been confusion about some of the investments and some delay in dealing with some of Mr C's queries. And it appears that up to date information about the Merchant Place 65 investment may not have been shared with Mr C. I proposed an award of £200 for the distress and inconvenience.

Responses to my provisional decision

Standard Life accepted my provisional decision. Mr C didn't. He made detailed comments. I've summarised his main points, using the same headings:

Timing of the complaint

Mr C said I'd misunderstood his point about the enquiries he'd raised from September 2021. He'd asked what checks were made. Standard Life had replied that the fund prospectuses would've been reviewed to confirm that the investments could be held in a SIPP, but it would've been for the client and his financial adviser to determine whether the investments were suitable. Mr C said that showed Standard Life was very concerned about the potential for a complaint following the Berkeley Burke case. He queried why, if he was happy with everything, he'd have asked about the checks made. He said Standard Life did see his query as a complaint and intentionally deflected it, by saying Standard Life didn't give advice.

What I'd said about his message of 24 October 2022 was mistaken. His earlier formal complaint was made in June 2022 after much fact finding and queries to Standard Life from September 2021. Standard Life couldn't have been under the impression that he was happy with things, certainly not after June 2022. He'd still wanted further information, so he'd continued to press Standard Life. In October 2022 Standard Life took some of his comments to be a new complaint. But he hadn't wanted to '*muddy the waters*' as the complaint he'd by then made was under review by Standard Life and this service. Hence, he'd asked Standard Life to disregard those comments as a new complaint.

But Standard Life then ignored that. By the same token, Standard Life should've treated his query in September 2021 as a complaint – he had no other reason to question Standard Life's responsibilities. He was unaware of the time limits for making a complaint and he didn't know about the broader responsibilities of SIPP providers or the Berkeley Burke case which meant there was an imbalance in power. He understood we wouldn't re-open the previous complaint. But he hadn't been invited to comment on the decision that it was too late. And it wouldn't have been if it had been deemed to have originated in September 2021. Mr C said Standard Life had evaded a complaint then and suggested we should find a way to address that as otherwise Standard Life (and others) would be absolved from making deliberate mis-statements to protect their own interests.

Annual statements

Mr C maintained he didn't get the annual statements. Standard Life says they were sent direct to him but Mr C and his wife knew they hadn't received them. It couldn't be proven conclusively either way and Mr C queried why Standard Life should be believed. He said I'd relied on standard wordings, systems and processes having worked as they should've, which doesn't always happen. The statements later produced could've been amended or supplied at the time in a different format. Mr C had identified some discrepancies and he and his wife didn't recognise the format. The statements were only minimally helpful. There was only a summary value and no breakdown by fund – the online system now lists all individual funds. It wasn't clear that many of the funds were illiquid, so no red flags were raised.
Mr C also referred to a press article in 2010 which said the then regulator had fined Standard Life for misleading customers about the safety of a cash fund with serious systems and controls failings. And in 2019 Standard Life had been fined in connection with the sale of non-advised annuities by telephone.

Customer Communication (lack of)

Mr C said he was unaware he was a Priority Plus Customer. He couldn't see how Standard Life had fulfilled its duties when no information had been provided to him. He referred to the

FCA's SIPP operator guidance issued on 8 October 2013 and to the 2014 '*Dear CEO*' follow up letter. He added that Standard Life did query one of the UCIS with the adviser who persuaded Standard Life to accept it. Standard Life didn't put a red flag against his SIPP having 100% UCIS investments. If Standard Life had brought the issue to his attention between 2007 to 2009, he may have limited his investment in that type of fund. Standard Life's policies assume that advisers are faultless which isn't always the case and means extra protection is needed. He also referred to the FCA's letter of November 2024 and the FCA's expectations for SIPP operators which referred to the Consumer Duty.

Mr C said I'd commented on the complexity of the SIPP and the high proportion (100%) of UCIS which Standard Life must've known exceeded the regulator's recommended maximum. Standard Life's duty of care should've meant appropriately higher consumer engagement than for customers with more '*regular*' portfolios. Mr C added that he hadn't expected Standard Life to inform him specifically of the outcome of the Berkeley Burke case, but he couldn't accept what he termed '*deceptive misrepresentation'*.

FSA/FCA Re-registration

Mr C said Firm H's demise was widely reported in the industry and it should be assumed that Standard Life would've known about it. Mr C supplied a press article from July 2012 about Firm H having gone into administration with over 900 advisers and 190 other staff facing redundancy. And there'd have been other press reports. Mr C referred to what we'd said in another case about, if customers had been given information to make an informed decision, they wouldn't have chosen to use a particular firm's services. The transfer of his account to Firm P was made without any consultation with him. If he'd been given an opportunity by Firm H's administrators to select a new adviser, the issue about 100% of his SIPP fund being invested in UCIS would've come to light in 2012, not 2021. He'd have been advised about the Berkeley Burke precedent in good time to make a complaint. And he'd have avoided having four years of distress and trying to find meaningful information.

Shortcomings and their significance

Mr C didn't agree with what I'd said about the losses not being avoidable. He wanted a proper analysis of Standard Life's failings which could lead to changes in Standard Life's policies and processes so that others are better protected. The lack of timely information from Standard Life about how the funds were doing contributed to him being unaware of the key issues that emerged, very painfully, much later. He agreed that the losses weren't preventable at that stage, but the delays were critical to potentially being redressed.

Summary and conclusion

Mr C didn't agree that the root cause of his losses was the failure of most of his SIPP investments, the suitability of which wasn't Standard Life's responsibility. His view was that his losses stemmed from, first, the initial advice; secondly, the lack of due diligence by Standard Life; and, thirdly, the poor follow up, information quality and standard of care provided by the adviser and Standard Life. Compensation of £200 wasn't appropriate, given his total losses were around £500,000 and taking into account the effect on his wife and family. Mr C's impression was that we didn't want to give in depth consideration to cases that were difficult and the conclusions I and the investigator had reached weren't as incisive as fairness required. Mr C also referred to the offer made by Standard Life in its final response letter which he hadn't yet accepted. He said he'd await the final decision before deciding.

Further developments since I issued my provisional decision

When I considered the complaint again, I thought jurisdiction needed to be clarified. We explained to Mr C that some of what he'd said in connection with his current complaint dated back more than six years before he'd made his complaint in September 2024. For example, Standard Life's alleged failures to provide information and comply with its ongoing due diligence obligations after the investments had been accepted could date back to 2010. We'd asked Standard Life if it consented to us considering any part of the complaint which predated September 2018 but Standard Life didn't consent. We explained why I thought we could only consider what happened from 2018 onwards. My view was that similar reasoning applied to that adopted by the ombudsman who considered Mr C's earlier complaint: Mr C ought reasonably to have known there was a problem and he'd suffered a loss by the end of 2018 at the latest and that Standard Life, as the operator of his SIPP, might be responsible.

Mr C responded that my focus was on saying the complaint had been made too late so we couldn't consider it. He pointed out that the ombudsman who'd dealt with his previous complaint had suggested making the further complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I anticipated that Mr C would be very disappointed with my provisional decision. I don't seek to underplay what's happened. He's suffered very substantial losses and I do understand why he considers Standard Life didn't do all it should've. I'm sorry if Mr C's impression is that we don't want to deal with his complaint. But we can't deal with every complaint about a financial business. We're bound by the rules relating to our jurisdiction which set out what complaints we can – and can't – consider.

<u>Timing of the complaint</u>

Mr C's earlier complaint about a lack of due diligence on Standard Life's part in accepting the investments was made too late. I understand why he feels he's been denied the chance to seek redress from Standard Life. But, while he says he accepts that I'm not going to revisit that complaint, some of the points he makes relate to the decision that the complaint was made too late. For example, he says he wasn't invited to comment on that decision. But that's in line with our usual procedure. One of our investigators had considered the complaint and concluded that it hadn't been made in time. She shared her view with Standard Life and Mr C and gave an opportunity to comment. Mr C didn't agree so the complaint was referred to an ombudsman who reached the same conclusion as the investigator – that the complaint had been made too late.

Mr C also says that Standard Life evaded a complaint in 2021 which would've been made in time. In my provisional decision I considered if the enquiries Mr C had made in 2021 (and which would've been within three years of his constructive awareness at the end of 2018) had amounted to a complaint. But I was unable to say he'd complained then, at least about any lack of due diligence on Standard Life's part. And I don't agree that Standard Life's response to Mr C's query about what checks had been made – which Standard Life said were confined to confirming that the investments could be held in the SIPP – was misleading. Nor do I see what Standard Life said about suitability being a matter for the client and his adviser – which I agree is the position – as an attempt to deflect any complaint.

Mr C has queried why he'd make enquiries if he was happy with everything. But a consumer may want to gather information before deciding whether to bring a complaint and/or how to frame it. Under DISP 2.8.2R (2) a consumer has three years to complain from when they

became aware (or ought reasonably to have become aware) they had cause for complaint. Which does give a period for any investigations to be undertaken.

Firms are bound by the FCA's Principles for Businesses (PRIN) but I don't think Principle 8 (which deals with conflicts of interest) or indeed any other provision, means that a firm is required to invite a complaint. It's for the consumer to make (by way of an expression of dissatisfaction) a complaint within the applicable time limits. Mr C may feel that favours firms as they'll be aware of the time limits and will know more in general terms than the consumer. But, on the other hand, the rules relating to jurisdiction are broadly drafted. To make a complaint, a consumer doesn't have to know exactly what's gone wrong. Just that a loss has been or may be suffered; that it was a result of some act or omission; and on whom responsibility for that rests. So, if Mr C suspected in 2021 that Standard Life had failed to carry out sufficient checks before accepting the investments, it was open to him to make that complaint at that stage. I don't agree that Standard Life should've treated something as a complaint when Mr C expressly said he wasn't complaining.

As I've said above, since I issued my provisional decision, we've clarified with Mr C what I can and can't consider. I'm only going to consider events in the preceding six years before Mr C made his complaint to Standard Life in September 2024. I share my colleague's view that Mr C became aware (or ought reasonably to have become aware) by the end of 2018 that there might've been a lack of due diligence on Standard Life's part, both in relation to accepting the investments in the first place and/or later on. So, to be in time under the three year part of DISP 2.8.2R (2), the ongoing due diligence complaint had to be made before the end of 2021, which it wasn't. My colleague made it clear that he was only considering Mr C's complaint about Standard Life allowing the investments in the first place, and not any lack of due diligence/failure to provide information in the years that followed. But that didn't mean we'd be able to look into any further complaint in its entirety and when the issues raised dated back some years.

Annual statements

Mr C maintains that he didn't receive annual statements direct from Standard Life. I agree that it's not possible to say now, some years later, with certainty what happened. Where, as here, the evidence is incomplete, inconclusive or contradictory, we reach our conclusions on the balance of probabilities – that is, what we think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Whether Mr C likely received annual statements was considered by my colleague in his decision. I revisited the issue as it seemed, from something Mr C had pointed to as Standard Life having said more recently, that Standard Life's position may have changed. And, given the importance of the matter to Mr C, I wanted to make sure there was no discrepancy. But Standard Life maintained that annual statements had been sent direct to Mr C. In his decision my colleague noted that Standard Life had provided copies of the annual statements sent to Mr C and, although he'd said he didn't receive them and he may not remember getting them, they were correctly addressed and it's likely they were properly sent. I don't think what Mr C has said about what happened in 2010 and 2019 is directly relevant. I agree with my colleague's finding – that Mr C likely received annual statements.

I don't generally agree with what Mr C has said about being the SIPP customer and so, by default, information should be provided to him and to his adviser if he agreed. Mr C had an adviser in place who was, in effect, Mr C's agent. I don't think the medical analogy is applicable. In my view, the situation is more akin to where a professional representative, for example, a solicitor, is acting for a client. It would be expected that all communications would be with the agent – the solicitor – rather than with the client or copied to the client.

Customer Communication (lack of)

I can understand why Mr C considers that Standard Life, as the trustee and administrator of his SIPP, should've done more. But, as I've said, Mr C had an adviser. I note what Mr C says about advisers not always being faultless but, where there's a regulated adviser in place, I think, as a starting point at least, Standard Life was entitled to assume that the adviser was acting as he should've done.

As I've explained, I'm unable to consider if Standard Life shouldn't have accepted the investments at the outset. But I recognise that Standard Life didn't just have initial due diligence obligations – Standard Life's responsibilities were ongoing. I've considered what Standard Life did (or didn't do) with that in mind.

In particular, Mr C has pointed to the FCA's SIPP Operator Guidance dated 8 October 2013, to the 2014 follow up letter and to what he terms the regulator's recommended maximum for UCIS investment. I think the latter is a reference to the regulator's 2010 report which identified issues surrounding the sale of UCIS. The regulator didn't set a maximum proportion of UCIS to be held in a customer's portfolio. But the accompanying good and poor practice report cited, as an example of good practice, firms which set a maximum portfolio proportion for UCIS investments of between 3% and 5%.

I recognise the argument that, even if Standard Life didn't question things at the outset, there should've come a time when Standard Life should've queried the proportion of Mr C's SIPP fund that was invested in UCIS. Mr C says that may have resulted in him limiting that type of investment. But he's also referred to his adviser having been able to persuade Standard Life about a UCIS investment which it seems Standard Life did query, so it's possible that any concerns raised with the adviser would've been smoothed over. But, that aside, the UCIS investments weren't spread over several years. They were all made before the end of 2009, Mr C's SIPP having been set up in 2007. So, while I recognise that the 2010 report and the guidance in 2013 and follow up in 2014 served as reminders of the existing regulatory responsibilities, there was a relatively short window for Standard Life to query the proportion of UCIS with a view to trying to limit that type of investment.

Further, as I've explained, I'm only considering what happened from 2018 onwards. I think by then there wasn't anything Mr C could realistically have done to mitigate his position. Many of the investments had already failed by then. By March 2014, both Guardian investments had been written down to £0.01. By August and June 2016 respectively that was also the case for the St Vincent and Stirling Mortimer investments. The Pinder Fry & Benjamin Data Centre Fund had been wound up in 2017 and the Stirling Mortimer Fund in 2019 – and by then it would've been in difficulties for some time – resulting in their removal from Mr C's SIPP. The Guardian Analysis and Alpha Funds were also wound up and removed in 2019 and similar comments apply – the winding up was the culmination of the Funds' failure. Given what I said in my provisional decision about how UCIS tend to operate, their illiquidity and the lack of any secondary market for the investments, I'm not persuaded that further or earlier information or intervention from Standard Life in line with its ongoing due diligence requirements would've changed the outcome for Mr C.

Mr C has also mentioned the FCA's November 2024 letter to SIPP operator CEOs which referred to the regulator's Consumer Duty expectations. The Consumer Duty was introduced for open products from 31 July 2023 and to closed products (those no longer sold but held by existing customers) from 31 July 2024. The Consumer Duty isn't retrospective and only applies where the events complained of happened on or after the relevant date. I don't think the Consumer Duty changes anything here.

FSA/FCA Re-registration

Mr C said my findings about Firm P and Firm H had trivialised the issue. Firm H's demise was widely reported in the industry. Mr C supplied a press article from July 2012 which said Firm H had gone into administration and that over 900 advisers and 190 other staff faced redundancy. Mr C said there'd have been other press reports. As I understand it, Mr C's argument is that Standard Life should've known about Firm H going into administration and notified Mr C that Firm H had been removed from its records. That would've given Mr C the opportunity to change firms and led to him instructing a new adviser who'd have told him that his portfolio, and the proportion of UCIS held, was unsuitable. And later on, after the Berkeley Burke case, advised him to make a complaint against Standard Life which wouldn't have been time barred.

I've said that I'm only considering what happened after 2018. But I think what Mr C is saying here can be interpreted as an exceptional circumstances argument as to why he didn't bring his previous and current complaints earlier. So I've considered it.

I don't think what Mr C has suggested necessarily follows. Even if Standard Life was (or should've been) aware of Firm H's demise, I don't think Standard Life would've been expected to go through all its customer records and identify any which showed Firm H was the adviser and immediately contact those customers. Once administrators had been appointed, it's reasonable to assume they'd contact customers. At the time, I don't think Mr C had any reservations about his adviser and so he'd have been happy to continue with him – as he did. Mr C says he didn't sign anything to say that Firm P was his new adviser. But, I don't think there's any dispute that Firm P was his adviser. That's borne out by the fact that Firm P was still advising him in 2015/2016 when his claim to FSCS – discussed further below – was made. Firm H went into administration in July 2012 and by October 2012 Standard Life had been notified that Firm P was Mr C's new adviser. It may not be strictly speaking correct to say that Firm P took over Firm H as the latter's client bases and advisers were dispersed. But the fact remains that Mr C's new advisory firm was Firm P as notified to Standard Life.

On the face of things, I don't think there was any issue in Mr C changing advisory firms after Firm H went into administration. Advisory firms do from time to time fail and that won't necessarily be as a result of anything untoward. But here Firm H couldn't continue as it had failed to secure professional indemnity insurance because it faced large claims for allegedly mis-selling UCIS – which is Mr C's position. So there's an argument that Standard Life should've put things together – that Mr C's SIPP portfolio consisted entirely of UCIS, that his adviser had been Firm H and the reasons why Firm H had failed – and so that could apply to Mr C. But, on balance, I don't think Standard Life's responsibilities went that far. And I'm not judging things with the benefit of hindsight. As I've said below, things have moved on and SIPP operator duties are more now recognised as more onerous than at one stage might've been assumed.

The other complaint Mr C has referred to was a previous complaint he and his wife had made about Firm P who, acting as a claims management company (CMC), assisted Mr C in making a claim to FSCS about the advice Mr C had been given in connection with some of his SIPP investments. The claim succeeded but, as it only related to some of the investments and because of FSCS's limits, Mr C only recovered a portion of his losses. Firm P charged him £5,700 in fees for making the claim. FSCS identified there was a conflict of interest as Firm P's advisers had been involved in advising Mr C to invest as he did and FSCS objected to Firm P making the claim. The Ministry of Justice (MoJ) (the then regulator for CMCs) also prohibited Firm P working on such claims. However Firm P didn't discuss those issues with Mr C and continued to deal with the claim. We said Mr C wouldn't have instructed Firm P if he'd have known about FSCS's objection and the MoJ's prohibition. We

said Firm P should refund the fees and make a payment for distress and inconvenience to Mr C.

I don't think that's analogous to the situation with the current complaint. I don't doubt, if Mr C had been alerted to the wider issues surrounding Firm H going into administration, he'd have at the very least thought twice about continuing with the same adviser. But, as I've said, I don't think Standard Life's responsibilities went that far. I don't think Standard Life could've been expected to probe deeper into the change of advisory firms, including seeing if the same adviser(s) remained involved (and it appears a different adviser's name was given), having moved from Firm H to Firm P.

Shortcomings and their significance

Mr C says Standard Life's failings should be analysed in detail to try to ensure that others are better protected. But I think things have moved on and lessons have been learned by providers generally and not just as a result of the Berkeley Burke case. The situation wasn't one where Mr C was being advised by an unregulated entity and in breach of the general prohibition in section 19 of FSMA (Financial Services and Markets Act 2000). It's the quality or suitability of the regulated advice which is the issue here. I'm not considering what the adviser did, just Standard Life's part in the matter.

Summary and conclusion

I acknowledge Mr C's unhappiness with what I've said. I know he feels badly let down by Standard Life. I understand what he's said about the real issues not having been considered. But I think that's a reflection of the time bar and which means that large parts of Mr C's complaint can't be considered.

As to the cause of his losses, he's said it was the initial advice; Standard Life's lack of due diligence; and the poor follow up and standard of care provided by the adviser and Standard Life. In my view, the root cause of his losses was the failure of the investments recommended by his adviser. Standard Life isn't responsible for any unsuitable advice given by Mr C's adviser. I'm unable to reconsider Mr C's due diligence complaint in so far as it relates to Standard Life allowing the investments in the first place. And his complaint about ongoing due diligence is time limited too. I recognise that Standard Life's obligations were ongoing and didn't cease once the investments had been made. But, in my view, even if there were some failings by Standard Life, that wouldn't have changed the outcome and taking into account that I'm only looking at what happened from 2018 onwards.

I accept that it would've come as a terrible shock to Mr C to find out that things had gone so badly wrong. He then had to spend time trying to piece together what had happened and who might be responsible. £200 may well seem entirely inappropriate against the large losses Mr C has sustained and the considerable distress that what's happened has caused and will continue to cause, both to him, his wife and wider family. But I'm unable to say that Standard Life is responsible for Mr C's losses and it's those which have caused the real distress. The award I've made is for any distress and inconvenience following the shortcomings I've identified.

As I noted in my provisional decision, ideally Mr C would like the SIPP to be wound up. But it still holds some active investments which have a value. So I don't think it's open to Standard Life to simply close down the SIPP. It might be possible for the investments to be re-registered to Mr C and held by him outside the SIPP wrapper but that will mean agreeing a fair market price for the investment and Mr C paying that to Standard Life which he may not want to do. And it's unlikely that Mr C would be able to find a new provider who'd be

prepared to accept the investments. But, as things stand, Standard Life's charges are suspended which I think is fair.

Lastly, with regard to the offer made by Standard Life in its final response letter, I'd assume it remains open and so I'll leave it up to Mr C to decide if he wants to accept it and notify Standard Life accordingly.

My final decision

I'm upholding the complaint but only in part. Phoenix Life Limited trading as Standard Life must pay Mr C £200 for distress and inconvenience caused by the confusion as to some of the investments and delay in dealing with some of Mr C's enquiries.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 March 2026.

Lesley Stead
Ombudsman