

The complaint

Mr and Mrs P complain about the significant charges Mattioli Woods Limited ('MW') has levied on their self-invested personal pension ('SIPP'). They say the service delivered in return for the charges fell below their expectations particularly given that the performance over the duration of the relationship was so poor.

What happened

Mr and Mrs P met with MW in 2017 and received advice to consolidate their existing pensions into a joint SIPP – they intended to access their pensions flexibly in the next five to ten years. A client agreement was signed on 29 August 2017, which set out the basis on which MW would provide its services.

Mr and Mrs P accepted the advice and the transfers were arranged over the next few months, with the final transfer completing in December 2017. The SIPP held Mr P's and Mrs P's pension funds separately.

In January 2018 Mrs P requested payment of her pension commencement lump sum ('PCLS'); she received around £43,000.

The remaining funds were invested across several products in line with their individual attitude to risk ('ATR'). Mrs P's ATR was noted to be cautious and Mr P's ATR was cautious/balanced. The majority of the monies were invested in MW's Discretionary Fund Management ('DFM') service, with Mrs P's funds invested in the cautious portfolio and Mr P's funds invested in the cautious/balanced portfolio. The remaining monies were split across a Real Estate Investment Trust ('REIT') and a Structured Products Fund ('SPF'). Mr and Mrs P paid ongoing advice charges ('OACs') to MW.

In February 2020, a review of the SIPP was carried out and Mr and Mrs P told MW they wished to make contributions to it. After considering their circumstances and completing an attitude to risk assessment, it was agreed that Mrs P's risk appetite had increased, so the funds held in the DFM cautious portfolio were switched to the cautious/balanced portfolio.

In 2021, the monies held in the SPF were disinvested and MW recommended they be reinvested in the DFM cautious/balanced fund.

In July 2022, MW recommended that £20,000 of the monies held in the SIPP cash account should be invested in MW's Responsible Equity Fund ('REF'). It also recommended that the funds held in the DFM cautious/balanced fund should be invested in the balanced fund as Mr and Mrs P's attitude to risk had increased.

In November 2022, Mr P complained about the time-costed fees charged between May and September 2022, totalling £691.74. As a gesture of goodwill, MW refunded the fees.

In February 2023 Mr P took £100,000 as part of his PCLS to repay part of their mortgage.

Later in 2023, Mr and Mrs P met with a new financial adviser and in February 2024, the adviser requested that Mr and Mrs P's SIPP be transferred to a new provider.

In February 2024 Mr P contacted MW again as he was unhappy with the level of fees being charged to transfer out of MW's SIPP. He then made a complaint about the fees charged in return for the service provided since the SIPP was established. Mr P said he understood MW's service proposition was not the cheapest, but for example, the SPF had advertised returns of 'three-month GBP LIBOR plus 6%' and the SIPP had achieved a return of 0.4% in five years. Mr P questioned what they were paying for. Mr P also didn't think they had received the ongoing advice service or received six-monthly performance updates as advertised.

Mr and Mrs P transferred their SIPP away from MW in April 2024.

MW provided its response to the complaint in June 2024. It explained the performance of the SPF was discussed in 2021 and it was decided to disinvest the monies held in the SPF and reinvest it through the DFM service. MW said the fees were all explained within the clients agreement signed in 2017. However, it had agreed to refund a fee of £691.74 in 2022 and it also agreed to waive time costs incurred since Mr P's last invoice, which amounted to £5,580.33 plus VAT. MW said Mr and Mrs P had been charged a transfer out fee of £300 plus VAT (£360) but it would refund this to them directly if they accepted this resolution to the complaint.

Mr and Mrs P remained unhappy and referred their complaint to the Financial Ombudsman Service. Mr and Mrs P maintained that the fees charged were too high when compared with the service and performance delivered. Mr P said that he hadn't received six-monthly performance reviews, which was part of the promised service. Mr P also questioned why he would've been charged £6,000 to transfer out of MW's SIPP and complained that he'd still been charged £360 upon exit. Mr P added that he hadn't been correctly advised in respect of maximising his pension contributions whilst he was working abroad.

Our Investigator didn't uphold the complaint. He thought that MW had informed Mr and Mrs P of the fees payable for the service provided up front and had applied them correctly. He recognised that Mr and Mrs P were disappointed with the performance of the SIPP but MW couldn't guarantee performance. The Investigator was satisfied that the investments made were suitable for Mr and Mrs P. He was also satisfied that the waived fees were reasonable compensation for the poor service provided at the time.

Mr and Mrs P didn't agree with the Investigator's findings; they still didn't feel that the total amount of fees paid were justifiable, which had effectively wiped out any return. They also said that the service promised wasn't provided; they said they were supposed to have reviews every six months and these were not always provided. Mr P also says MW failed to address the issue he'd raised about not using his pension allowances after his return from working abroad. Mr P said that the fees waived could not be considered as compensation as they should not have been charged in the first place.

The Investigator wasn't persuaded to change his opinion. He said the client agreement stated that reviews would be conducted annually, not every six months. The Investigator was satisfied the annual reviews had been provided. He also thought that the waived fees had been charged in line with the terms of the agreement with MW so it was reasonable to treat this as compensation.

Mr P said MW's literature stated that they would receive a six-monthly performance update. And he said that he had been able to use two years of pension allowances but had missed

one because MW hadn't told him about this sooner. As no agreement could be reached, the complaint was referred to me to make a decision.

I issued a provisional decision on 13 November 2025, explaining that I was minded to uphold Mr and Mrs P's complaint in part. I thought that MW had provided the service Mr and Mrs P had paid for in each year except for the years in which the first and last annual reviews were due. I recommended that MW should refund the OACs charged for those reviews and that a return should be added to the fees from the date they were taken to the date of my final decision. I also thought MW should refund the exit charge and also provide a return on this. Mr and Mrs P accepted my provisional decision. MW didn't accept it and provided additional evidence to support that the first annual review did take place. It also explained why the last annual review didn't take place and added further commentary on the services provided in return for the OAC, meaning that a refund of the OAC wouldn't be fair in any event.

As a result of the new evidence provided, I informed Mr and Mrs P that I was now satisfied the first annual review had been provided, so I wasn't recommending a refund of the OAC paid for this year. Mr and Mrs P thought that MW providing the information at such a late stage confirmed MW's inept administration. They also added that although they did receive a review/report for 2021 it was late as it was provided in January 2022 and the report understated the charges.

As I've received all responses, I'm now providing my final decision.

What I've decided – and why

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

Having reviewed everything provided, I'm still upholding this complaint in part, but as I've said above, my findings have changed in respect of the first annual review. I'll explain why.

I think it is still important to note that the complaint raised by Mr and Mrs P doesn't include the suitability of the arrangements initially recommended to them by MW. When asked, Mr and Mrs P clarified that they were not complaining about the suitability of the investments, but rather the value and service they received in return for the charges they paid. And I note that they have also previously acknowledged when they made the complaint that they understood MW's services were not the cheapest, but they were led to believe that the level of service and returns would reflect the higher charges.

So, I don't intend to address the charging structure here, as it seems that Mr and Mrs P understood what charges applied to the arrangements they took out. Instead, I'll focus on the service Mr and Mrs P were entitled to in return for those fees.

I'll also add that I think Mr and Mrs P's dissatisfaction with the value they received in return for the higher fees can only relate to the performance of the SIPP – they understood that the higher fees would be worth it for the higher returns. I don't doubt that Mr and Mrs P have been very disappointed with the total return they achieved whilst their SIPP was with MW, but I think they understood that performance was not guaranteed. And even where targeted returns were described, for example, the SPF had advertised returns of 'three-month GBP LIBOR plus 6%', they were not told this growth was guaranteed.

I also think it's prudent to note that during the time Mr and Mrs P's SIPP was with MW, several world events significantly affected investment returns, particularly for those who invested in line with a lower attitude to risk, such as Mr and Mrs P. So, while I appreciate that

Mr and Mrs P believed the higher charges would ultimately benefit them by way of higher returns, that isn't something I think the level of fees charged guaranteed.

What I can consider insofar as it relates to performance, is whether the poor performance can be attributed to unsuitable investments. And like the Investigator, I'm satisfied that MW invested Mr and Mrs P's funds in line with their individual risk appetite, which changed over time. So, whilst I appreciate the returns were disappointing, I don't think that this can be attributed to MW making unsuitable investments.

Ongoing advice service/reviews to be provided

Mr and Mrs P say that they were entitled to performance reviews every six months and they didn't receive this. They have provided a screenshot of some MW 'literature' which says:

"You will receive a detailed six-monthly performance update and also have access to a dedicated investment website"

When looking to establish the service that was promised to Mr and Mrs P, I think it's important to review the documents they were provided at the time, and any letters they received that may have described the ongoing services to be provided.

Mr and Mrs P signed a Client Agreement on 29 August 2017. Unfortunately, MW has only been able to locate copies of the pages Mr and Mrs P signed. But they have provided other versions of the Client Agreements including the July 2020 version (unsigned), the June 2021 version (unsigned) and the February 2022 version which Mr P signed in June 2022. MW says that the agreements are materially the same.

The July 2020 agreement says:

1.3 Our ongoing service – restricted advice

Once any initial service has been completed as defined (above), the performance of any further work would fall under either an ongoing service, which is agreed with you at the time of providing the initial advice, or where you do not agree to an ongoing service, it would be on an ad hoc basis and subject to one-off fees (see below).

Where we have carried out intermediation and where you agree to it, we would also expect to provide an ongoing service, where we review your situation and 'demands and needs' and the ongoing suitability of the services and products recommended to ensure the products continue to meet your needs and recommend amendments or changes where appropriate. This is stage 6 of the definitions of intermediation (see section 2.10).

Where you agree an ongoing service that attracts a fee, the service will include all the normal administrative support to facilitate this.

Assuming that the client agreement signed in 2017 doesn't differ from this significantly, I think that the ongoing advice service would consist of MW reviewing Mr and Mrs P's circumstances, their needs and consider the ongoing suitability of the arrangements recommended on an annual basis. Although the above agreement doesn't make reference to it, I think this would also include consideration of their current attitude to risk – I say this because I don't think ongoing suitability of investments can reasonably be considered without reference to this.

The Agreement Mr P signed in June 2022 said:

15. How we provide our ongoing advice service

Once any initial service has been completed as defined in section 14, the performance of any further work would fall under either an ongoing service, which is agreed with you at the time of providing the initial advice, or where you do not agree to an ongoing service, it would be on an ad hoc basis and subject to one-off fees (see section 17).

Where we have carried out intermediation (making a recommendation that is implemented by a third party), and where you agree to it, we would also expect to provide an ongoing service where we review your situation and 'demands and needs' and the ongoing suitability of the services and products recommended to ensure these continue to meet your needs and recommend amendments or changes where appropriate.

Where we agree to provide you with a service that includes an ongoing review of the suitability of the investments we have recommended, we will carry out this review at least annually. To do this we will need to contact you to assess whether the information we hold about you remains accurate and up to date. If you do not wish to meet with us annually, then we may have to base our assessment on the information we hold on file. We will issue you with a report setting out the results of our assessment and, if relevant, any updated recommendations."

As such, based on these agreements, I don't think the agreement signed in 2017 would've said that Mr and Mrs P would receive reviews as part of the ongoing advice service every six months. Instead, I'm satisfied that reviews, which would look at the suitability of Mr and Mrs P's arrangements, would take place annually.

However, MW has provided a copy of the 'Client Agreement for Portfolio Management Services' that Mr and Mrs P signed in August 2017. This says:

'12 Reporting and administration

Six-monthly valuations will be sent in accordance with your communication preference. We can provide more frequent valuations if requested, subject to a further charge. We can send any report to a nominated adviser upon your instruction to do so. We will not pass on any documentation to any third party without your consent.'

So, I think it's clear that as part of the DFM service, MW would provide Mr and Mrs P with six-monthly valuations. This is different to a review being provided every six months. And based on the evidence I've seen, I'm satisfied that MW did provide valuations to Mr and Mrs P at least every six months. And it appears that valuations have been provided quarterly since at least March 2021.

Turning back to the annual reviews provided as part of the ongoing advice service, MW has now clarified that the investments were made within the SIPP in February 2018, meaning that the annual review would be due around February each year thereafter.

MW says that while the reviews would be conducted annually, there isn't a contractual requirement to provide them within a specific month or on the plan anniversary. Instead, it says annual means once per twelve-month period.

I appreciate that a review might not always be provided at the same time each year and there might be times where a review is delivered a bit sooner than 12 months or more than 12 months after the last one. However, I do think that a year after the investments were first

made is a reasonable starting point. And I think it's fair to assume that an annual review is provided in return for a year's worth of OACs. So, I've looked at the reviews provided with this in mind.

I'm satisfied that annual reviews meeting the description of the service outlined above took place in February 2020, July 2021, July 2022 and February 2023. So, I'm not going to comment on these years further.

I wasn't initially persuaded that the annual review which would've been due around February 2019 was delivered. However, MW provided me with further evidence, which shows that in April 2019 the performance of the pension was discussed with Mr and Mrs P, that their circumstances and objectives were updated and that a discussion took place in respect of their attitude to risk. Overall, it was decided that no changes were needed and so the adviser considered the existing arrangements remained suitable. As such, I'm satisfied that Mr and Mrs P received the annual review that was due around February 2019, albeit it was a couple of months late.

However, I'm still not persuaded that it would be reasonable for MW to retain the OACs charged after the final review that took place in February 2023. I'll explain why.

I appreciate that Mr and Mrs P requested a move away from MW in early 2024 so no review was arranged. But given that the last review took place in February 2023, I think a review would've been overdue by the time Mr and Mrs P transferred their pension to a new provider. MW accepts this but doesn't believe that it would've been reasonable to offer an annual review given Mr and Mrs P's intentions to move away from MW. I agree with MW here, but I still don't think that means it would be reasonable for MW to retain the OACs charged after February 2023 when that service wasn't going to be provided, and Mr and Mrs P made their intention to move away from MW known as early as June 2023.

As such, I still don't think it would be fair for MW to retain the OACs charged after February 2023 in these circumstances. So I'm requiring MW to refund the OACs incurred after February 2023 until the date of Mr and Mrs P's transfer away from MW, plus a return, in line with the method set out below.

Mr and Mrs P commented that the 2021 review/report was late and wasn't provided until January 2022. It seems that this relates to a valuation rather than an annual review. Mr P has provided a screenshot of an email received in January 2022 from MW apologising for the late delivery of the September 2021 valuation. While I appreciate the delay would've been frustrating, I think an apology was sufficient in the circumstances.

I understand that when Mr and Mrs P told MW that the overall charges in 2022 appeared to be high compared with those in 2021, MW explained that the 2022 charges were correct but it appeared the charges in 2021 had been understated in the September 2021 statement provided. I appreciate the concern this would've given Mr and Mrs P but I don't think it means the charges applied were incorrect; instead, MW said it could've been related to an issue with the formatting of the statement, which was new at this time.

Refund of fees - proportionality concerns

MW maintains that it isn't fair to recommend a refund of the OACs because Mr and Mrs P:

- Had access to ongoing advice and support;
- Received regular portfolio reviews and recommendations;
- Benefited from discretionary fund management;
- Had their investments actively monitored and managed; and

- Could contact MW at any time for advice.

MW says the adviser also provided support when Mr and Mrs P suffered illness and generally felt she'd built a good relationship with Mr and Mrs P over the years. MW feels that the complaint has been driven by performance rather than a lack of advice.

In a letter addressed to Mr and Mrs P dated 29 August 2017, MW said:

"What are the costs for this advice

We offer a bespoke SIPP scheme administration, consultancy and full investment advisory service. The establishment cost for a SIPP is £895 plus VAT, and the annual scheme charge is £632 plus VAT. These costs will be split between [Mr P] and [Mrs P] by the percentage of funds invested in the Mattioli Woods SIPP.

On an ongoing basis, we are fee-based for the scheme charged by reference to time spent. Normally, VAT applies although as this will be a joint SIPP, VAT is not applicable. A joint SIPP is classed as a specialised investment fund (SIF), which is VAT exempt. This is invoiced half-yearly in arrears, and you should consider the above relates to consultancy, administration and trusteeship.

There is an ongoing fee for any assets under advice and this is up to 0.85%.

As and when you wish to access your benefits through tax-free cash and/or income, there is a time-costed charge for the work involved in preparing a valuation and conducting the calculations.

We charge a fee for the strategic advice, recommendations, investment advice, establishment of the scheme and the underlying investments of up to 3% of the amount invested, although we have agreed to reduce this to 1%. Whilst the product, including the wrapper, platform, funds, and discretionary management service all carry their own charges."

"Portfolio Management Service

The fees for the discretionary management of your investment are set out in the PMS agreement, being 1.25% as the annual management charge (AMC), of which Mattioli Woods receives 1.1%. The AMC includes a 0.15% fee for the multi-fund structure. These charges are expressed as a percentage of all assets.

In addition, there is the platform fee of 0.2% of the investments held on the platform, taken via the investment, while the fund charges are typically between 0.5% and 1.1% as explained when we discussed the discretionary service."

As such, Mr and Mrs P were told that they would pay fees for ongoing advice and separate fees for the DFM service. And MW also charged time-costed fees for other administrative tasks. Ultimately I still think that the main service being provided in return for Mr and Mrs P paying an OAC is the suitability assessment to ensure the investment approach remains suitable for them. Where this hasn't happened, in my view, the service paid for hasn't been delivered. I'm therefore satisfied that by requiring MW to refund the OACs incurred after February 2023 is reasonable compensation for the service that wasn't provided.

Missed annual pension allowance

Mr P explains he was working abroad between April 2019 and June 2021. He said a colleague who was in a similar position to him but returned to the UK a year later told him that he could carry forwards three years of pension allowances. Mr P says he was able to use his allowance for 2022 and 2023 but says he wasn't able to use his allowance for 2021. Mr P felt that he should've been advised sooner about the ability to carry forward his allowances, given that MW knew that he would be working abroad.

I asked MW for its comments on this. It said Mr P's adviser does not recall conversations around this and there are no emails on file. However, she said she wasn't under the impression that Mr P had extra cash to make further contributions to the pension as their goal was to work towards paying off their mortgage.

This seems consistent with Mr P's actions in 2023, where he took a PCLS of £100,000 from the SIPP to repay part of his mortgage. It therefore seems unlikely that he would've had sufficient cash to use his full pension allowances had he been informed about this sooner.

But regardless of this, I note that in the Technical Appendix that accompanied the recommendation letter dated 13 February 2020, MW did make Mr P aware of carry forward allowances. On page two it said:

“Carry forward and pension input periods (PIPs)

A PIP is the period over which the amount of pension contributions under an arrangement is measured. From April 2016, all PIPs changed to run in line with tax years on all UK-registered pension schemes.

Where you have been a member of a registered pension scheme for the three previous tax years, and have not maximised your pension saving over these years, it is possible to carry forward the unused allowance to the current tax year. Contributions are tax relievable provided they are justified against earnings in the tax year in which they are contributed (personal), or are wholly and exclusively for the purpose of the trade (employer) and fall within your annual allowance.”

So, even if there wasn't a discussion about this, I think MW provided Mr P with sufficient information about the possibility of carrying forwards his pension allowances.

Fees charged to leave MW

Mr and Mrs P are unhappy that MW wanted to charge them over £6,000 in fees to leave MW and questioned whether the fees were actually chargeable if MW was prepared to waive them. They've highlighted an occasion in 2022 when they also complained about fees that had been applied and were also waived. Mr and Mrs P are also unhappy that they still had to pay £360 upon exit.

As Mr and Mrs P are aware, MW charges time-costed fees for administration of their SIPP. And I don't doubt that processing the request to transfer out of the SIPP would've incurred costs. However, I don't think I need to scrutinise these charges as MW agreed to waive them. So, while I understand Mr and Mrs P's frustration at the level of charges they were invoiced for, they haven't had to pay them so there is nothing to put right here.

MW offered to refund the £360 Mr and Mrs P were actually charged upon exiting the MW SIPP. However, this was conditional upon their acceptance of this to resolve their complaint. Given that I think MW's service has fallen short on occasion, and MW was prepared to

refund this fee from the outset, I think it would be fair and reasonable for MW to refund the £360 charged to leave MW. And as this was deducted from their pension funds, MW should also pay a return on this from the date it was paid to the date of my final decision.

Putting things right

My aim is to put Mr and Mrs P as close to the position they would probably now be in if they hadn't paid the OACs charged after February 2023 to the date they transferred their assets away from MW or the exit charge.

MW should:

- Refund the OACs taken after February 2023, and pay a return on the fee amounts from the date the fees were taken to the date of my final decision.
- The return on the OACs charged after February 2023 should be calculated using this benchmark – FTSE UK Private Investors Income Total Return Index.
- MW should refund the £360 Mr and Mrs P were charged upon exiting the MW SIPP plus a return calculated using this benchmark – FTSE UK Private Investors Income Total Return Index.
- Provide the details of the calculation to Mr and Mrs P in a clear, simple format.

Interest

The compensation resulting from this calculation must be paid to Mr and Mrs P within 28 days of the date MW receives notification of their acceptance of my final decision. Interest must be added to the compensation amount at the rate of 8% per year simple from the date of my final decision to the date of settlement if the compensation isn't paid within 28 days of MW being notified of Mr and Mrs P's acceptance of my final decision.

My final decision

I'm upholding Mr and Mrs P's complaint in part and I require Mattioli Woods Limited to pay compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 30 December 2025.

Hannah Wise
Ombudsman