

## **The complaint**

Mr and Mrs T complain that they were given unsuitable investment advice by Andrew Hope Investment Limited resulting in a loss of their investment.

## **What happened**

Mr and Mrs T both have individual Cash ISA policies, but as their complaint points are identical, I have considered both here together. In January 2019, Mr and Mrs T met with the advisor Andrew Hope Investment Limited (AHIL) to discuss moving their ISA's to another platform. They say:-

- They were exposed to risk of loss that they never agreed to and didn't want to incur any risk.
- They were not informed their money was at risk and the joint losses once bonuses are considered amount to more than £16,000
- They were not made aware that this investment would be a ten-year commitment
- They were not given an explanation of what a Market Value Adjustment (MVR) was or its implications on the capital investment when they were given the investment advice in 2019.

No final response was issued so Mr and Mrs T brought their complaint to our service.

An investigator here considered the complaint and said the investment advice was unsuitable, and AHIL had not done enough to explain what MVR was or how this would impact the investment. She upheld the complaint and said AHIL should:-

- Compare the performance of Mr and Mrs T's investment with that of the set benchmark she provided and pay the difference between the fair value and the actual value of the investment. If the actual value is greater than the fair value, no compensation is payable.
- Add any interest set out below to the compensation payable.
- Provide the details of the calculation to Mr and Mrs T in a clear, simple format.

As AHIL didn't agree with the investigator, this came to me for a 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 agree with the investigator's conclusion for broadly the same reasons.

As Mr and Mrs T have complained about the level of risk they've been exposed to, I have started by looking at whether this investment was suitable for them. I would be looking to see that they obtained information about Mr and Mrs T's knowledge and experience in investing, their financial situation, their investment objectives including their attitude to risk, the purpose of investing and how long they want to invest for. In addition to this, whether the consumer is able to financially withstand the investment risks and has the necessary experience and knowledge to understand the risks involved.

The suitability report details the assessment that was made with advice on what to invest in and why. Mr and Mrs T were ongoing clients of AHIL and were experienced in similar investments. Their previous reports and circumstances were also considered as part of this fact find and review. The report notes their monthly combined income to be £4786 against expenditure of £2000 giving them disposable income of £2786. They didn't have any dependants to support and had numerous other investments/pensions to draw on. So, it was clear with their financial situation, they could afford to undertake the investments being recommended.

Their aim was to invest their funds for a minimum of five years as they would be considering retirement at this point. They were looking to achieve capital growth above what they would be earned via a bank. I know Mrs T states she was absolutely clear that the money should be invested with "*no risk at all*". On balance, I am not persuaded by this. They had other investments, and their risk profile was a cautious investor who was prepared to accept risk spread across a variety of instruments in a managed fund and I am satisfied this was correct.

Looking at the with-profit ISA, it is considered to be a low-risk investment which is line with the type of investment that would be suitable for Mr and Mrs T. They've also stated they would not need the funds in the short term, but it is clear their reference to short term was a five-year period and the with-profit ISA's were essentially intended to be kept for a minimum period of ten years. The policy literature states they recommend a minimum ten-year holding period as well as the no loss guarantee which is AHIL also mentions only applies if the product is held for ten years. The key facts document issued in 2019 clearly states "*If you do not cash in your investment on one of the MVR free guarantee anniversaries you could get back less than you have paid in.*"

The suitability report does not say they are tied into a minimum term, it says, "*This product has a 10-year guarantee of no loss if the product is held for that duration*" and that if market conditions dictate, there may be recourse to impose the MVR. But there is no further detail given to explain this or how and when this could be applied or about the impact it would have on any investment. Given that the ten-year period overlapped with their retirement plans and retirement in five years was a real possibility, it increased the likelihood of Mr and Mrs T needing to withdraw their funds sooner. The prospect of a penalty charge being applied was increased and AHIL should have done more to explain this and how MVR worked. I am persuaded that had they done this; Mr and Mrs T would have raised concerns about it. Overall, I am persuaded that the advice Mr and Mrs T were given was unsuitable.

I'm aware there has been some concern around whether the suitability report was sent to Mr and Mrs T. There is no pressing evidence that convinces me either way. Regardless of this, as I have mentioned above, I am not satisfied AHIL did enough to explain the period they would need to invest for, what early withdrawal would mean, and the MVR - in the suitability report or otherwise. As such, I am upholding this complaint.

### **Putting things right**

#### **Fair compensation**

In assessing what would be fair compensation, my aim is to put Mr and Mrs T as close to the position they would probably now be in if they had not been given unsuitable advice.

I take the view that Mr and Mrs T would have invested differently. It is not possible to say precisely what they would have done differently. But I am satisfied that what I have set out below is fair and reasonable given Mr and Mrs T's circumstances and objectives when they invested.

#### **What should you do?**

To compensate Mr and Mrs T fairly AHIL should:

- Compare the performance of Mr and Mrs T's investment with that of the benchmark shown below and pay the difference between the fair value and the actual value of the investment. If the actual value is greater than the fair value, no compensation is payable.
- Add any interest set out below to the compensation payable.
- Provide the details of the calculation to Mr and Mrs T in a clear, simple format.

Income tax may be payable on any interest awarded.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional Interest
With-Profits ISA	No longer in force	FTSE UK Private Investors Income Total Return Index	Date of investment	Date ceased to be held	8% simple per year on any loss from the end date to the date of settlement

#### **Actual value**

This means the actual amount paid from the investment at the end date.

#### **Fair value**

This is what the investment would have been worth at the end date had it produced a return using the benchmark.

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

I have chosen this method of compensation because:-

- Mr and Mrs T wanted capital growth and was willing to accept some investment risk.

- The FTSE UK Private Investors Income Total Return index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is a mix of diversified indices representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return.
- Although it is called income index, the mix and diversification provided within the index is close enough to allow me to use it as a reasonable measure of comparison given Mr and Mrs T's circumstances and risk attitude.

There is guidance on how to carry out calculations available on our website, which can be found by following this link:

<https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-investment-complaints>.

Alternatively, just type 'compensation for investment complaints' into the search bar on our website:

<https://www.financial-ombudsman.org.uk/>

### **My final decision**

For the reasons given above, I uphold this complaint against Andrew Hope Investments Limited and they should pay Mr and Mrs T as noted above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 12 January 2026.

Naima Abdul-Rasool  
**Ombudsman**