

## The complaint

Mr B complains St. James's Place Wealth Management Plc ("SJP") delayed without reason the release of funds from an investment bond held in the B Loan Trust - a Loan Plan ("LP") trust that started in 2014.

Mr B says he requested the funds in January 2024, but SJP delayed the payment for over 18 months. He says the requested funds were intended for the trust beneficiaries and in some cases were needed by April 2024 to help them with mortgage costs.

The complaint is brought by Mr B and on behalf of trustees for the B Loan Trust.

## Background

The complaint concerns a bond held by the B Loan Trust. It was raised by Mr B with SJP together with concerns about the delay of payment from another bond held in a different trust – a discounted gift plan trust (DGP). The DGP funds were subsequently paid out. I'm dealing in this complaint with Mr B's concerns insofar as they are concerns of or about the B Loan Trust – and not with concerns about the DGP trust.

## What happened

My provisional decision of 16 December 2025 set out relevant circumstances of the complaint, including as follows:

The LP trust started in 2014. Mr B paid in £20,000. He added £20,000 in 2015 and £20,000 in 2016 with the last payment being in December 2016. On 19 May 2021 Mr B asked SJP to stop the ongoing advice charge on the LP trust bond - and SJP agreed this in July 2021. I gather his decision to stop paying SJP for advice related in part to dissatisfaction with advice SJP had given on another matter which SJP redressed.

Mr B says that due to mortgage costs due to arise in April 2024 for some [trust beneficiaries] he decided he wanted the funds from the DGP and the LP trust bond to be divided amongst [the beneficiaries], but SJP's website didn't tell him how to do this. So on 6 January 2024, no longer having an adviser, Mr B wrote to SJP's chief executive saying:

*"This letter concerns two Investments in Trust that I hold with St James's Place... my [DGP and]... my [LP]... My Trustees, with my agreement, want to encash [the DGP] in full and distribute the proceeds in accordance with my Letter of Wishes... wherein [the trust beneficiaries] will get an equal share..."*

Regarding the LP the letter said *"More than 7 years has elapsed since the last investment. With my Trustees' agreement, I want to encash this Plan in full and distribute the proceeds together and in accordance with the Gift Plan above... my online Wealth Account gave the current encashment value of [the LP bond] to be £90,182."*

The letter concluded: *"To summarise, my trustees and I wish to encash [the DGP and the LP bond] in full and distribute the combined proceeds equally amongst [the trust beneficiaries] in*

*so doing minimising any inheritance tax liabilities. Your guidance on this matter would be much appreciated.”*

Mr B received no reply from SJP’s head office but on 17 January 2024 his former SJP adviser emailed him saying: *“I have been forwarded your letter... requesting the encashment and distribution of the 2 SJP trusts. Due to the IHT planning and benefits of the trusts and potential tax issues it is not as straightforward as simply selling the holdings and splitting the funds. For example, see below the explanation of your options for the Discounted Gift Trust. I have attached the fact sheets for reference and reminder re both trusts.”*

The email said for the LP *“the original £60k investment is still your money, as a loan accessible by you and the growth is IHT free and for your beneficiaries”*.

The email said: *“There are two options with the DGP during the settlor’s lifetime. I will outline them...”* Mr B says he understood from the email that the LP and DGP investments should be treated separately and that there were options for accessing the DGP funds. From what I’ve seen, the email didn’t outline or offer to outline options for the LP trust.

The email concluded: *“To achieve your objectives, you should get some advice and help with the process to ensure you make the best and most tax efficient decisions. As I presume you still do not want to deal with me for advice, we can find another local SJP Partner to help you with this?”*

Mr B says he took this email to be the *“guidance”* he had requested. He says it made clear the original £60,000 LP bond loan was his and accessible by him whereas the growth was IHT free and for the B Loan Trust’s beneficiaries. He says he wasn’t expecting to pay any income tax when the loan was repaid.

Mr B replied on 20 January 2024 listing the steps he understood were needed to *“encash the Gift Plan and distribute the proceeds amongst [the beneficiaries]”*. He asked where to send relevant documents. He asked for other information relating to the DGP. His email didn’t give any instructions or make any requests relating to the LP bond held by the B Loan Trust.

Mr B said he got no reply, so concluded the next step was with him. He says he phoned St James’s Place offices and was told to send written instructions. He did so on 29 January saying: *“This letter concerns two Investments in Trust that I hold with St. James’s Place. The first... is my Discounted Gift Plan. The second... is my Loan Plan. I want to encash these two investments.”*

Mr B set out the instructions he thought were needed to give effect to his wishes. For the LP bond, Mr B’s letter said: *“More than 7 years has elapsed since the last investment. I now want this £60,000 loan repaid. My online Wealth Account... gave the current encashment value... to be £91,557. Repayment of the loan will leave £31,557 in the Trust. With my Trustees’ agreement, I want to encash what is left in the Trust. One of the trustees... has agreed to take receipt of the proceeds and distribute them in accordance with my Letter of Wishes dated 28 December 2012 wherein [the trust beneficiaries] will each get an equal share. His contact details are given above.”*

On 6 February 2024 the SJP adviser emailed Mr B mostly about the DGP, about which the correspondence continued until the plan was paid out in full in June 2024. But it said of the LP bond: *“The accrued withdrawal allowances enable £22k of your remaining loan to be repaid without any tax issues... I need to look at how best to pay the rest with the minimal tax consequences.”*

A 10 February email from the SJP adviser said: *“using the accrued IB withdrawal allowances*

*you can take a £22,050 withdrawal/loan repayment now without any tax consequences". It said the remaining £38,000 would trigger tax if repaid to Mr B as a higher rate taxpayer. It said Mr B could wait until the 21 May policy anniversary to take £3000 more tax free. He could also waive the loan, in which case it could be distributed to beneficiaries free of IHT after seven years (and there would be no tax on it in his hands in that situation). In addition to the £60,000 loan it said there was over £30,000 of investment growth in the B Loan Trust which was for beneficiaries and free of IHT and could be paid once the loan was dealt with.*

Mr B says he has no idea how the £22,050 figure was arrived at or why the full £60,000 loan could not be paid tax free.

Mr B says on 12 February 2024 the SJP adviser's office emailed him saying: *"Following on from your recent communications with [the SJP adviser] please see attached the Investment Bond withdrawal form for you all to sign. Please check the account details on the form are the ones you are happy for your funds to be paid to. Once the document has been signed, I will pass this to our administration department to process."*

Mr B says this referred to the LP bond. He says the form was signed on 19 February 2024 and £22,050 was paid to him on 26 February.

On 13 April 2024 Mr B wrote to SJP suggesting that insufficient progress had been made in the previous three months, and asking that it appoint a new SJP adviser to carry the matter forward. SJP did not reply. The existing SJP adviser continued with the matter as before.

Mr B notes SJP's adviser had expressed a clear intention to *"look at how best to pay the rest of the loan with the minimal tax consequences"* and had suggested waiting for the May 2024 policy anniversary first. Mr B did so and an SJP email at that time said *"...another £3k is available to you without tax from the Loan Trust so I will get that in motion. We will then need to decide how to deal with the remaining c£30k loan element in the trust."*

Replying to the SJP adviser on 22 May 2024 Mr B said he didn't understand the conditions and 'policy anniversary' applying to the LP – and that *"it is important to get the arithmetic right... You are offering another £3K which leaves £34,905 remaining NOT £30k."*

SJP says its adviser concluded from this that Mr B was not disposed to accept what he was saying and decided he could do no more for Mr B in connection with this issue. SJP accepts the SJP adviser never told Mr B this explicitly. But SJP says Mr B made no further efforts to access the LP funds.

When asked what efforts he had made to access the funds, Mr B referred us back to correspondence ending 6 February 2024. He also told us:

*"Countless exchanges over the following 18 months have resulted in some much-delayed payments being made... and some reimbursement made from my loan... I received £22,095 from my £60k loan. But, as of 30 June 2025, £74,394 remains locked in the Loan Plan."*

The £3000 was paid to Mr B on 28 May 2024. This left £34,950 of his loan in the B Loan Trust to be repaid before the growth element could be assigned to benefit [beneficiaries].

SJP says a full withdrawal of the remaining outstanding loan would generate a chargeable gain and potentially an additional tax charge of up to 25% of the value of that gain. It says the potential tax implications were why Mr B's request was referred to the SJP adviser, and why SJP suggested he access only £3,000 to start with before deciding how to deal with the rest. It says it isn't possible to withdraw all the funds from the LP bond without first dealing with the outstanding loan, and the loan hasn't been dealt with. SJP says its service centres

wouldn't release the LP bond funds without input from a financial adviser or Mr B indicating he understood the tax implications.

Mr B has told us waiving the remaining loan and leaving it in the trust would've been tax free. But it would have to be left there for 7 more years for it to become IHT exempt and then withdrawals would be taxed. He says this is an unacceptable situation.

*- provisional decision text ends.*

My provisional decision explained our investigator had suggested SJP pay redress to Mr B for late payment, which SJP had rejected, I also summarised Mr B's response as follows:

In response to the investigator's proposals, Mr B has said: *"If I understand you correctly (and SJP accepts your judgement), SJP will now pay to my bank account the £37,905 outstanding from my £60k loan (with no tax liability) together with the compensation for delays and distress. SJP will pay the money left in the trust to whoever the trustees name..."*

Mr B says a 21-month delay in disbursement has left him poorer not richer. He says if paid out in full now, the beneficiaries of the Trust should receive £43,554 which is more than they might have received in 2024. But he sees no good reason why this should reduce redress. He has said *"It is important to remind SJP that I asked for my money when I needed it. When... the Trust beneficiaries, were faced with sudden hikes in their mortgages and school/university fees, I wanted to help them. To tell them now that waiting for their money has made them richer is insulting."* He says he is due compensation for the distress caused by the never-ending payment delay and there should be no further delay. He says SJP refuses to pay out the funds for no obvious good reason.

*- provisional decision text ends.*

My provisional decision explained I'm not considering Mr B's purpose in starting the LP trust or whether it worked like he has said or suited purposes he has mentioned. I'm considering whether SJP was at fault for delaying payment from the LP bond when requested by Mr B and the B Loan Trust. Mr B hasn't complained the advice to invest in the LP trust was unsuitable.

My provisional decision explained I didn't find SJP at fault for the delay, including as follows:

Mr B's 29 January 2024 letter did clearly state that Mr B wanted his £60,000 loan repaid. But he has made it clear he wasn't aware at that time that there might be tax consequences for him from this. Also he's said and sent us nothing to make me think he was willing at that time to accept tax consequences of that kind. So I don't see that it was wrong for SJP to have an SJP adviser contact Mr B to make him aware of those consequences. Also I don't see that SJP was at fault for not paying out the bond proceeds based on this letter alone – clearly more was needed. With all this in mind, I don't find SJP at fault for how it responded to the 29 January letter as far as the LP trust bond is concerned.

In saying this I bear in mind that Mr B accepted our investigator's proposals on the basis that he would not suffer any tax that would normally be due on the payment of the funds. But our investigator didn't say SJP should indemnify Mr B or the Trust against tax consequences that paying out the funds might bring. Rather our investigator thought if any tax arose from the payments, this is something Mr B and the B Loan Trust would need to accept in return for the payments. To insist on something different would be to insist on an outcome Mr B and the B Loan Trust wouldn't have been able to achieve normally. In my view this wouldn't be fair. So agreeing to receive a payment on this basis does nothing to suggest Mr B was willing to have SJP pay out the funds and incur any tax that might be incurred as a result.

It seems to me that SJP did arrange to pay to Mr B – and Mr B agreed to request – those loan sums that could be repaid without creating a tax liability. It did so as and when those sums could be paid. So I don't see that there were delays in those payments. I note there were problems with the DGP payment, which SJP has acknowledged, but this isn't a matter I'm dealing with here as explained above.

I note Mr B asked SJP in April 2024 for a new adviser due to a lack of progress from his point of view. But I don't see that a different adviser would've made a difference to the advice SJP was giving or changed the tax rules. The existing adviser continued with the matter and arranged payment for Mr B from the LP loan in May 2024 – and was in touch with Mr B about the DGP payment as late as June 2024. Mr B didn't ask the SJP adviser to arrange another adviser (which the SJP adviser had offered to do for him). I don't see that SJP was at fault for not arranging a new or different adviser for Mr B or that the fact it did not was the reason why LP trust bond funds that haven't been paid out haven't been paid out.

On 21 May 2024 the SJP adviser said that after the £3000 payment had been arranged, *"We will then need to decide how to deal with the remaining c£30k loan element in the trust."* I don't overlook that the SJP adviser didn't in fact discuss further with Mr B how he might deal with the loan. But there is no suggestion the SJP adviser turned down a request from Mr B for further help of that kind. Mr B did not ask for further discussions of that kind. He hasn't suggested that weeks passed with him waiting for the SJP adviser to come back with advice or proposals. From what I've seen when Mr B wanted to progress a matter, he took steps to take matters forward. If he had wanted to explore further the situation of the B Loan Trust with the SJP adviser, I think he would've contacted the SJP adviser.

In my view it was reasonable for the SJP adviser to infer from the absence of such contact that Mr B wasn't seeking further discussions of that kind with the SJP adviser. I say this bearing in mind there continued to be contact from the adviser in relation to the DGP trust. Had Mr B wished to raise the LP loan situation with the adviser, he could have done so. In my view SJP was right to concede that SJP's adviser ought to have made clear to Mr B that he wasn't going to continue giving advice or assistance in connection with the loan after the May 2024 exchange of emails. But in light of all I've said above, I'm not persuaded this failing made a difference to what happened.

Mr B hasn't identified a way to settle his loan and allow the release of the bond growth for the trust beneficiaries, that would've been acceptable to him from a tax point of view. He has suggested that giving up the right to repayment of the loan would've been unacceptable too, given how long it would be before the sum could be paid out free of IHT. So it isn't obvious to me that had Mr B had more discussions with the SJP adviser about the loan, an acceptable answer would've been found. But, as I've said above, I'm not persuaded Mr B sought such a discussion anyway and I don't find SJP at fault for not conducting one.

From what I've seen, Mr B wanted payment of the full value of the LP bond without there being any significant tax consequences. But from what I've seen, this wasn't something that SJP would've been able to arrange. So I don't find SJP at fault for failing to arrange it.

Of course, if Mr B believes there is a way he can access the funds on a more tax friendly basis than SJP has suggested, he can of course take that course of action – and SJP would not be responsible for the tax consequences. Likewise, if he doesn't believe the advice SJP has given him sets out all the most favourable options, he is free to seek his own advice.

But, for the reasons I've given, I don't find that any fault on SJP's part caused loss of the kind Mr B has complained of and I'm not at present minded to uphold this complaint or award redress.

- provisional decision text ends.

SJP hasn't responded to my provisional decision with anything new. Mr B wrote to respond to and reject my findings. I've considered all his points, which included the following:

- My complaint summary overlooks Mr B's complaint about the delays in handling the DGP which did impact the LP which remains an active problem.
- SJP's adviser left SJP to form his own company in 2016. Throughout the encashment process Mr B was in discussion with SJP and the adviser without knowing who was really in charge. This background is important. Mr B wasn't pleased it was the adviser handling the encashment, but he decided to give him a second chance. The task seemed simple, but it was soon evident progress was very slow and barriers were being put in place.
- Actions or inactions by SJP and its adviser has left £80,000 in the LP waiting to be released and an explanation from or progress by SJP remains elusive. The retention of £34,950 of the loan blocks the release of £43,613 for beneficiaries. SJP has shown no willingness to change its position so the money will stay with SJP until he dies. It is wrong for SJP to hold onto his money.
- From the outset, Mr B only wanted to encash the DGP and LP and have the money given to the beneficiaries. He wasn't seeking payment of the full value of the LP bond without any significant tax consequences as my provisional decision suggested. His letter of 29 January 2024 couldn't have made this clearer and followed a phone discussion with the SJP Administration Centre. The word 'tax' didn't appear in his letter. Tax was never an issue in his mind. It was always clear to him there would be no tax charges when encashing the plans and he firmly believes there won't be tax on the other trust monies when released. SJP's adviser had 'tax implications' fixed in his mind.
- It wasn't for Mr B to identify how to settle his loan and release the bond growth for the trust beneficiaries in a way that was acceptable to him from a tax point of view. This was for SJP to resolve. An SJP factsheet said: *"Your St. James's Place Partner can provide more details on the effect of withdrawals for Income Tax purposes"*. So he was justified in asking SJP about this. But SJP gave him no details. He complained expecting that at the very least SJP would provide a timetable that avoids 'tax implications', but it has done nothing to help. His frequent requests for advice on 'tax implications' were never answered. The only option he was given was to abandon his withdrawal request and leave the money for 7 years which he found unacceptable.
- SJP's 16 January 2024 email did say the original £60,000 was his money. Some was released without tax implications. SJP should tell him when he can have the rest. It is for SJP not him to decide how it should return this to him. He now understands SJP stopped searching for a way to repay the rest of the loan, apparently because its adviser's efforts were unpaid and not appreciated. Neither the adviser nor SJP told Mr B his request for the LP to be encashed had been put on hold – or why.
- Mr B is being blamed for not harassing SJP's adviser about his delay. But Mr B chose to raise the LP loan situation with SJP rather than with the SJP adviser because the adviser's track record of replying to his questions wasn't good. He preferred taking his frustrations to a higher level. He wrote to SJP on 1 August through the complaint procedure, asking for an explanation of the delay. It replied saying it was too busy to help but later said *"your St. James's Place Partner has been asked not to discuss this matter with you. They can, however, continue to provide service and advice regarding your investments"*. But the adviser did not discuss this matter with him or continue to provide

his service. He decided to stop.

- SJP was moving in a dilatory way with no clear sign it would ever reach the finishing line. Mr B's lawyer said a new adviser was needed due to the delays, and Mr B wrote to SJP requesting this. This was spurred by delays with the DGP not the LP. SJP didn't reply or take action and was at fault for not arranging a different adviser.
- SJP had given him clear instructions on how to present his withdrawal request. He wanted funds released as quickly as possible with the least stress. He doesn't accept this wasn't something SJP could arrange. SJP blocked it for the LP for no good reason.
- SJP should be penalised for unreasonable delays. His beneficiaries suffered from the delay whilst SJP continued to receive an income from charges. SJP offered and paid compensation for delays with the DGP.

As my provisional conclusions were rejected, the matter remained unresolved - so it falls to me now to review all that we have and to make 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 conclusion as I did in my provisional decision and for broadly the same reasons.

That said, my provisional decision said SJP needed more than the 29 January 2024 letter to pay out the proceeds of the LP trust. Having reviewed the letter again, I think it might have given SJP grounds to start the process of repaying the loan to Mr B and paying out the rest of the trust monies to the beneficiaries. So had SJP done that, I don't think it could've been blamed. But I remain of the view that it wasn't unreasonable for SJP to instead first point out to Mr B that this course potentially had tax consequences. It did this on 10 February 2024.

I accept that Mr B didn't request this input, but having the possibility of tax liabilities flagged to him, it seems to me that he chose to have regard to this. I say this because he chose not to insist on his 29 January instruction being carried out without delay, regardless of the possible tax consequences. Instead, he agreed to withdrawals that SJP told him could be made without triggering a tax event. He waited for a policy anniversary in May 2024 that allowed more to be withdrawn on that basis.

After that, Mr B didn't give further instructions for the repayment of the rest of the loan or seek more discussions with the SJP adviser to arrange this. I note Mr B says he complained instead – in August 2024 - but the complaint wasn't an instruction to repay the rest of the loan. I'm not persuaded Mr B was content at that time to have the loan repaid regardless of any negative tax consequences that might arise – or that he had formed the view that there wouldn't be any such consequences.

Mr B has said: *"Part of the loan had been paid without any tax so I saw no reason why the remainder should be treated any differently. My requests for information that might have changed my expectation were not answered. Even if they had told me there were negative consequence, I had no option but to accept them if I wanted [the beneficiaries] to get their Trust money. Which I did."*

I'm not persuaded by this. SJP made clear that some of the loan could be repaid without tax but some could not. So SJP made clear there were negative consequences and, as I've

explained above, after receiving that information Mr B did not give instructions for the loan to be repaid in full immediately or on any other basis. So my view remains that SJP is not at fault for not paying out more than it has already paid from the B Loan Trust.

I note what Mr B has said about expecting SJP to respond to his complaint by giving him advice about how or when he might repay the loan without tax consequences. But I don't see that this was something SJP was obliged to provide Mr B in response to his complaint. I note also what he says about how SJP told Mr B in August 2024 that his adviser could continue providing service and advice on his investments. Putting aside the fact Mr B had opted out of receiving ongoing advice from that adviser on his investments generally, Mr B has been clear that he didn't ask the adviser for advice on this matter after August 2024. So I don't see that SJP is at fault for Mr B not receiving such advice or assistance.

In summary, Mr B requested payment of the LP bond proceeds at the end of January 2024. But he agreed instead to payments that wouldn't give rise to tax in SJP's view – after being told of possible tax on 10 February 2024. Mr B insists he continued to try to access his funds but when asked to point to efforts he made to do this, he referred us to correspondence that ended in 6 February 2024 – so, before the 10 February 2024. He has since referred me to his complaint to SJP of 1 August 2024, but I don't think this assists his case either.

My decision here is confined to the LP held in the B Loan Trust. Mr B has referred to other investments held by him personally or by other trusts with SJP. He has said I've overlooked the delays with the DGP in considering this complaint. But I reiterate I considered all he has said and sent about the DGP - in particular its timeline – when arriving at my decision here about the B Loan Trust.

I note Mr B chose to end his ongoing advice relationship with SJP. The terms on which SJP might agree to advise Mr B in future, if Mr B wanted its advice, are for Mr B and SJP to agree. What SJP and Mr B might agree in future is outside the scope of this complaint.

My provisional decision explained we would need the agreement of the DGP trust trustees to consider concerns raised by Mr B with SJP about the DGP trust, and if Mr B wished us to do this we'd do so under separate reference. Mr B hasn't requested this, so we aren't taking further action in relation to this at present. Mr B has said the DGP is history and SJP paid redress for delays with it which caused him effort and distress.

Having considered all Mr B has said and sent us, for the reasons set out above - and those in my provisional decision, except as varied above - I don't uphold this complaint.

I reiterate my gratitude to Mr B for his comprehensive and clearly presented submissions which have greatly assisted our investigation.

### **My final decision**

For the reasons I've given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B on his own behalf and for The B Loan Trust to accept or reject my decision before 23 February 2026.

Richard Sheridan  
**Ombudsman**