

The complaint

Mrs P complains that she had been paying Wessex Investment Management Limited ('WIML') to provide her with ongoing financial advice since 2013 and that she had not received any review service in that time. She explained that paying for a service that she didn't receive had reduced the value of her pension.

What happened

Following a meeting with WIML in 2013 Mrs P followed its recommendations which included an agreement that she pay 1% of her invested fund values to WIML as an ongoing advice charge.

On 22 October 2024 Mrs P complained, via a claims management company, that she had never received the review service from WIML that she had been paying for since 2013.

Wessex said that it provided Mrs P with written reviews from 2019 onwards. It explained that Mrs P had not responded to its requests for meetings with her. It did not consider that it had failed to provide Mrs P with a service, but accepted that it had not sent her a review since October 2024 when it received her Data Subject Access Request. So offered her a payment of £300 to compensate her for that and to then terminate its agreement with her.

Mrs P's complaint was then referred to our service. Our investigator looked into what happened and explained that the time limits that apply to making complaints meant that we could only consider the ongoing advice service that had been provided in the six years prior to the complaint being made. He also explained why he didn't think that WIML had provided Mrs P with the service that had been agreed to. So he thought that it should reimburse Mrs P the fees plus the lost investment returns on those had the amount remained invested.

WIML didn't agree with the investigator's opinion so the case was referred for an Ombudsman's decision. I looked into the complaint and agreed with much of what the investigator had said. However, I agreed that WIML had been ready and willing to provide its service to Mrs P if she'd asked for it. But I thought that Mrs P's failure to engage with WIML at all since 2013 meant that WIML should have revisited its agreement with Mrs P rather than continuing to take a charge for a service it was not able to deliver. I wrote to both WIML and Mrs P to set out my additional reasoning that the complaint should be upheld. Mrs P's representative responded to agree with what I had said. WIML did not respond with any further comments or evidence.

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.

Like our investigator, I am also of the view that Mrs P's complaint should be upheld. WIML's agreement with Mrs P was after the Retail Distribution Review. Effectively that meant that it needed to provide Mrs P with a service in exchange for the ongoing charge that it took.

WIML has failed to provide us with a copy of its client agreement with Mrs P. But the recommendation that gave her in 2013 said the following regarding its ongoing advice:

“We believe that it is important to review your retirement benefits on a periodic basis. We will contact you each year to offer an appointment at our offices to review your plans and objectives...”

Later in its suitability report WIML said of its 1% advice fee,

“this fee is used to maintain your records, cover the costs associated with the ongoing management of your contracts and a face to face review.”

In a factsheet from 2014 the FCA provided additional clarity for advisers on how they charge their clients. It said:

*“Ongoing charges should only be levied where a consumer is paying for ongoing service, such as a performance review of their investments, or where the product is a regular payment one. If you are providing an ongoing service, you should clearly confirm the details of the ongoing service, any associated charges and how the client can cancel it. This can be written or orally disclosed. **You must ensure you have robust systems and controls in place to make sure your clients receive the ongoing service you have committed to.**”*

Based on what WIML set out in its suitability report I would expect it to have had contact with Mrs P to carry out some form of review with her each year. WIML had set an expectation that would be face to face. But some other form of contact where it reviewed and updated her circumstances, and ongoing attitude to investment risk, may well have sufficed. I highlight in bold above that it was WIML’s responsibility to ensure that Mrs P received that service.

In this case, WIML did not provide Mrs P with the face to face reviews that it set out as part of its ongoing advice, and there is no documented contact in which it reviewed her personal circumstances for any changes. So I don’t think that Mrs P was receiving the ongoing service that WIML committed to.

I note that WIML says that Mrs P was invited to reviews but that Mrs P never responded. But I am not sure that the correspondence it’s provided clearly shows that was the case. The correspondence it shared was, in the main, forwarding information that it received from the pension provider. Although I do acknowledge that some correspondence let Mrs P know that she could contact WIML to discuss if she wanted to. Because of that I am prepared to accept that WIML were available and ready to provide the service, if Mrs P had asked it to. But its correspondence doesn’t indicate that it was actively driving that. Or at what point amongst any of the numerous documents it forwarded, it was offering an annual review.

I think that it would be useful at this point to refer to clarification that the FCA provided in February 2025 following a review into whether financial advisers were delivering the ongoing advice services that customers paid for. It shared the FCA view on situations where a client declines a service in a given year. It says:

“Where a firm has been ready, willing and able to provide suitability reviews, but a client has consciously declined the service in any given year, we consider it less likely that redress will need to be paid. Where the client has declined the service over a number of years, firms should discuss with the client whether continuing with the service is still in their best interest.

We also recognise that there may be circumstances where firms have made reasonable and proportionate attempts to engage with clients to conduct suitability reviews without success. We generally expect that firms will need to have some engagement with their client in order to carry out a review. In these situations we expect redress to be less likely, however, a firm should have considered whether an ongoing service is in a client's best interest if they've persistently not engaged."

I would like to reassure WIML that I have taken this into consideration. If it were just the case that there had been certain occasions where a review was offered and declined, then I think that may not be unreasonable. But I don't think it is reasonable to charge for an ongoing advice service for over a decade, and to suggest that it is acceptable never to deliver that service because the customer never asked for it. I don't think that shows adequately robust systems being in place to ensure that the service was delivered. And, like the FCA stated in its review I think that you ought to have considered whether the ongoing service was in the best interests of Mrs P if you were genuinely unable to ever contact her to carry out the review that had been agreed.

I think that you ought to have reached the conclusion that the ongoing review service was not in her best interests over the first few years of missed reviews (in 2015 and 2016). Which would have been prior to the period that I am considering in this complaint. It therefore follows that you should have reviewed whether the ongoing advice was in Mrs P's best interests at that stage. And, given your assertion that she was routinely declining it, you should therefore have removed the ongoing advice charge prior to 2018. So it should not have been charged at any point beyond that.

Putting things right

WIML should refund the advice fees that were taken from 28 October 2018 (which is six years prior to the complaint that Mrs P raised) until the date of the complaint on 28 October 2024.

The fees should be returned to the accounts where they were deducted from, adjusted for any interest or investment returns that they would otherwise have experienced had they been invested in the respective account up until the date of settlement.

Where those fees are being repaid into Mrs P's SIPP, the payment should allow for the effect of charges and any available tax relief.

If the payment of compensation into the SIPP would conflict with any existing protection of allowance, then the payment should instead be made direct to Mrs P.

Where the payment is being made direct to Mrs P rather than being paid into the SIPP, then the payment of compensation can be reduced to notionally allow for any income tax that would otherwise be paid in taking income from the SIPP. This is an adjustment to the compensation to ensure it is fair – it isn't a payment of tax to HMRC.

Mrs P is likely to be a basic rate taxpayer at her selected retirement age, so the reduction would equal 20%. However, if Mrs P would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.

I have not seen evidence of whether ongoing advice has been provided since the raising of Mrs P's complaint, or even whether WIML has continued to take fees from her. Should it be the case that, after the dates that I have considered in this case, WIML has continued to deduct charges and failed to provide the agreed service, I would also recommend that it

consider adopting the same approach to repaying those subsequent charges to avoid causing Mrs P to have to make a further complaint.

My final decision

For the above reasons I am upholding Mrs P's complaint and direct Wessex Investment Management Limited to put things right as I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 24 February 2026.

Gary Lane
Ombudsman