

The complaint

Mr R complains, with the help of a professional third party, that Quilter Financial Planning Solutions Limited ('QFPSL') has not provided ongoing services in respect of his pension despite receiving regular fees to do so.

What happened

Mr R held pensions with two different providers which I'll call 'Firm L' and 'Firm A'.

In July 2016, Mr R signed a letter of authority, addressed to Firm L, confirming he wished to transfer all servicing rights in respect of his pension to QFPSL.

Firm L emailed QFPSL on 1 August 2016 confirming it had recorded the request and QFPSL had been registered as Mr R's servicing adviser. It also said it was *"pleased to confirm that the adviser charge you have agreed with your client has now been established and we will pay 1% of the fund each year (payable quarterly)"*.

On 18 August 2016, Firm A wrote to QFPSL confirming that it had also received Mr R's instruction that QFPSL was his appointed intermediary. The letter said *"Any renewal commission due after 17 August 2016 and any commission on future new business or increases, not impacted by Retail Distribution Review, we will pay to you"*.

QFPSL has provided evidence that it received adviser charges from Firm L until April 2017. It appears to have continued to receive copy correspondence from Firm A until 2020 but it is unclear how many, if any, commission payments were received.

In April 2021, Mr R opened an ISA and pension. The provider for these products was Old Mutual Wealth. In June 2021, Old Mutual Wealth ('OMW') became Quilter Life & Pensions / Quilter Investment Platform. Although part of the same overall group, these entities are separate business to QFPSL.

Funds were transferred into the OMW pension and ISA from other providers (including the Firm A pension). The financial adviser in respect of establishing the pension and ISA in 2021 and the transfer of funds into those products was not QFPSL, but a different business, which I'll refer to as 'F' which appears to have become Mr R's adviser some time prior to this.

The ISA and pension with OMW were closed / transferred out in January and June 2024 respectively. The confirmation letter to Mr R confirmed that F was still recorded as his adviser at the time.

Mr R complained to QFPSL in August 2024. In short, he said that he thought the advice to transfer his pension and ISA to OMW was potentially unsuitable. He also said that QFPSL had not provided all of the ongoing reviews he had paid for.

QFPSL said it thought some of the things Mr R had complained about, in particular annual reviews due more than six years before the complaint was first made, had been raised too late under the rules set by the regulator, the Financial Conduct Authority ('FCA'). So, it said it

didn't have to investigate these issues and thought our Service was also unable to look into them. On the subject of the advice in 2021, it noted that this was provided by F, rather than QFPSL. So, it wasn't responsible for this.

Mr R asked our service to look into the complaint. His representative said that Mr R was not pursuing the concerns raised about the advice to move his *pension* to OMW as part of his complaint against QFPSL.

One of our Investigator's considered everything that had been presented. They thought, in addition to suggesting that QFPSL wasn't the party that provided advice about the pension switch to OMW (which again is no longer being pursued as part of this complaint), the information indicated that the advice to transfer Mr R's *ISA* hadn't been provided by QFPSL either. So, we couldn't consider the complaint about the advice to transfer the *ISA* in 2021 against QFPSL, as QFPSL hadn't carried out that activity.

On the subject of ongoing advice when QFPSL was Mr R's appointed adviser, the Investigator was satisfied that rights to commission from Firm A had been transferred to QFPSL in August 2016. But the pension agreement appeared to have been taken out before the Retail Distribution Review ('RDR'), with the adviser receiving commission not required to provide ongoing services, with no evidence of any relevant amendments since. So, they didn't think, in respect of the Firm A pension, that QFPSL had wrongly failed to provide an ongoing service.

In respect of the Firm L pension, the Investigator was satisfied that QFPSL began to receive ongoing fees in August 2016 and that this continued until at least 2017. They also believed that QFPSL was required to provide an ongoing service for these fees – but there wasn't any evidence that it had done so. The Investigator thought that we could consider Mr R's complaint about this, as we hadn't been provided anything which, in their view, showed that Mr R ought to have been aware of having cause to complain sooner than he did. And they thought his complaint in respect of these fees should be upheld.

Mr R's representative said he accepted the Investigator's opinion.

QFPSL did not agree. It said it still considered the complaint about fees and the provision of ongoing services, prior to 2018, to be one that we could not look into.

I issued a decision in December 2025 addressing whether we could consider Mr R's complaint. I found that we could consider Mr R's complaint about ongoing advice services that QFPSL ought to have provided from the point he became a customer in 2016, as I was satisfied he'd complained within three years of when he reasonably became aware of having cause to do so.

Now the issue of jurisdiction is decided, as the matter has not been resolved informally, this decision will look at the merits of Mr R's 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.

To reiterate, Mr R's representative confirmed he was no longer pursuing a complaint against QFPSL about the advice to open a new *pension* with OMW in 2021. They also said that Mr R accepted our Investigator's opinion on the complaint. This included that the evidence

indicated QFPSL wasn't responsible for the advice to take out an ISA with OMW in 2021. And that, in respect of the Firm A pension, QFPSL had acted fairly by accepting ongoing commission and didn't appear to have been required, or paid separate amounts (fees), to provide ongoing advice.

As Mr R has confirmed he wasn't pursuing a complaint about advice and has accepted the Investigator's opinion on the merits of his complaint, including about the Firm A pension, the only issue left in dispute, and which I am considering here, is whether QFPSL made an error in respect Mr R's Firm L pension by failing to provide an ongoing service, when it began receiving regular fees.

I've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice - many of these are found in the FCA's handbook under the Principles for Businesses ('PRIN') and the Conduct of Business Sourcebook ('COBS'). I've also thought about what I consider to have been good industry practice at the time. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities - that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Pension statements from Firm L indicate that regular fees were being paid to Mr R's previous adviser prior to him transferring servicing rights to QFPSL. And then the email QFPSL received from Firm L on 1 August 2016 confirmed an agreed adviser charge of 1% per annum having been put in place. Information from QFPSL and Firm L, indicate these ongoing fees were paid to QFPSL until 2017.

In 2014, the FCA produced guidance in the form of a factsheet titled "*For Investment advisers - Setting out what we require from advisers on how they charge their clients*". The factsheet 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."

The factsheet didn't mark a change to the rules firms like QFPSL were already expected to follow. Rather it re-enforced or reminded firms of the standards already in place when providing on-going advice services, which were covered in COBS.

COBS 6.1A.22 says:

"A firm must not use an adviser charge which is structured to be payable by the retail client over a period of time unless (1) or (2) applies:

- (1) the adviser charge is in respect of an ongoing service for the provision of personal recommendations or related services and:
 - (a) the firm has disclosed that service along with the adviser charge; and*
 - (b) the retail client is provided with a right to cancel the ongoing service, which must be reasonable in all the circumstances, without penalty and without requiring the retail client to give any reason; or**
- (2) the adviser charge relates to a retail investment product or a pension transfer,*

pension conversion or pension opt-out or arrangement with an operator of an electronic system in relation to lending for which an instruction from the retail client for regular payments is in place and the firm has disclosed that no ongoing personal recommendations or service will be provided.”

The letter of authority Mr R signed that was sent to Firm L included a line about transferring renewal / trail commission to QFPSL. It didn't refer to fees. But the acknowledgment from Firm L said that the adviser charge agreed between the parties had been established. So, on balance, I think Mr R was made aware that ongoing fees were going to be paid to QFPSL.

But I've seen no evidence that QFPSL disclosed details to Mr R of what the ongoing service to be provided entailed, or that he'd been presented the right to cancel.

QFPSL has said that Mr R would have been provided with paperwork confirming the nature of the service, when he signed the letter addressed to Firm L. But it has been unable to provide copies of that paperwork or details of what it included. So, I haven't seen evidence that means I can say, on balance, that the nature of the service was made clear to Mr R.

I also haven't seen any evidence of a service being carried out by QFPSL during the time that it was receiving regular fees from Firm L. I can see that Firm L sent out an annual summary to Mr R shortly after QFPSL was registered as his adviser. And a copy was sent to QFPSL by Firm L. But I haven't been provided evidence of QFPSL contacting Mr R to review this summary. Or that it undertook any other activities with or on behalf of Mr R – QFPSL hasn't provided contact notes, copy correspondence or evidence of any communication or actions in the period it was receiving fees.

Again, the FCA guidance from 2014 explained amongst other things that *“Ongoing charges should only be levied where a consumer is paying for ongoing service, such as a performance review of their investments...”*. And I think it is reasonable to conclude that the ongoing fees implemented were for an ongoing service. And I think this likely included QFPSL committing to carry out regular reviews of Mr R's circumstances and suitability of his products and investments. But again, there is no evidence of QFPSL undertaking any such activity.

Taking all of this into account, in the specific circumstances of Mr R's complaint, I think QFPSL was receiving fees from Firm L to provide an ongoing service. But, as there is no evidence of QFPSL having provided any such service, or even it attempting to contact Mr R to do so, I find that I agree with our Investigator that it would be fair and reasonable for the fees charged to be refunded to Mr R.

Putting things right

To put matters right, I think the fees deducted from Mr R's pension with Firm L and paid to QFPSL between August 2016 and 2017 should be refunded by QFPSL.

Had these fees not been deducted, the amounts would have remained invested in Mr R's pension. So, I think notional calculations, adjusting these amounts for growth had the fees remained in the existing investment funds, should be undertaken from the date the fees were deducted from the pension to the date of my final decision.

To complete these calculations, QFPSL will have to obtain information from Firm L, and any later pension provider, if Mr R subsequently transferred his Firm L pension benefits.

I appreciate that, the involvement of several providers, might make it difficult for QFPSL to obtain the information to complete this calculation accurately. So, in the event QFPSL can't

obtain the necessary information to complete the calculation, I think it'd be fair instead for it to calculate adjustments to the fees using a benchmark instead. I think a fair benchmark would be the FTSE UK Private Investors Income Total Return index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index). This 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. And the statements from Firm L indicate that Mr R's pension was invested to take some risk.

Whether a calculation is completed based on the actual investments or using the suggested benchmark, the compensation amount should be paid into Mr R's pension plan if possible. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr R as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

If Mr R has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this. If, however, Mr R has utilised his tax-free cash entitlements, a notional reduction of 20% would be fair.

QFPSL should provide details of the calculation to Mr R in a clear, simple format.

My final decision

For the reasons I've explained, I uphold Mr R's complaint.

To put matters right, Quilter Financial Planning Solutions Limited should compensate Mr R in line with the methodology set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 February 2026.

Ben Stoker
Ombudsman