

The complaint

Mr O complains that St. James's Place Wealth Management Plc (SJP) failed to provide him with ongoing advice, allowed a drawdown to happen from the ceding provider without his consent and is responsible for the poor performance of his investments.

What happened

Mr O held investments with a provider who I'll refer to as A, and a pension with a different provider.

In 2010 SJP advised Mr O to transfer his ISA and investments he held with A into an ISA and offshore investment bond to be managed by SJP. Later Mr O was advised by SJP around his pension arrangements which he transferred to its management.

Mr O recalls having initial concerns about the recommendation SJP was making to him, in particular around the tax implications and exit charges and wanted to review those aspects further before agreeing to the recommendations to transfer his investments from A. He says it was agreed that he sign the documents but not date them which was intended to prevent the recommendations being enacted before he was ready. Instead, his investments with A were encashed and when he questioned what happened he recalls being told it wasn't possible to reverse it.

In the following years Mr O queried the performance of his assets, and on at least two occasions SJP recommended changes to the composition of his portfolio in response.

More recently Mr O found himself dissatisfied with the service he'd received from SJP and across several communications had complained, in summary, that:

- SJP hadn't provided him with the ongoing advice service he had expected.
- The performance and returns for his assets with SJP were poor.
- SJP had some responsibility for the premature encashment of his assets while they were with A as it had attended the meeting that led to that happening along with A.

SJP wasn't initially able to provide its final response which led Mr O to refer his complaint to our service. When it later did issue its final response, it didn't agree his complaint should be upheld.

One of our Investigators looked into Mr O's complaint and thought we could only consider matters since March 2018. She considered the merits of his complaint against that remit but didn't uphold his concerns about fees and performance since then.

Mr O didn't agree with our Investigator's findings, which included her thoughts about what was and wasn't in time and asked for an Ombudsman to decide his complaint. The complaint was then passed to me to decide but as the matter of time remained in dispute I first issued a decision to determine the parts of Mr O's complaint our service can consider. In that I set out that issues around the encashment and the performance and the provision of ongoing advice prior to 1 March 2018 were out of time. This meant only those events

happening since 1 March 2018 were in time and going to be part of the decision I make here.

Mr O responded to my decision, but I've not seen his comments mean I need to reconsider our jurisdiction in this matter. He mentioned some health issues he's had and referred to the assurances the firm gave him. It was explained to Mr O that his reasons, while unfortunate, wouldn't amount to "exceptional" reasons for the delay in making his complaint, and as the assurances he referred to were made prior to March 2018, I didn't see that meant I could change my thoughts on the parts of his complaint I can consider.

His complaint has now been returned to me to consider the parts which are in time – fees and performance since March 2018.

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 won't be upholding it. I'd first like to recognise Mr O's strength of feeling about this matter and no doubt the frustrations that I can't consider all of the matters he clearly feels very strongly about. I'll explain why.

Ongoing advice charges

Mr O was advised in 2010 to transfer his ISA and an offshore investment bond into SJP's management.

This advice was given and implemented prior to changes in rules around how financial advisors can charge for its services. Prior to the implementation of the "Retail Distribution Review" (RDR) at the end of 2012, firms were typically paid through commission arrangements with product providers rather than fees coming directly through payments from consumers.

Following RDR, the model SJP have generally used is charging for initial advice and offering an optional ongoing advice service for a separate fee based on the value of investments under that arrangement, which I've typically seen to be around 0.5%. In return the new arrangement is expected to be that the client would be entitled to receive a regular review of their investments in the form of advice, among some other benefits.

Given Mr O's investments were advised pre-RDR and I've not seen evidence of any new agreement being put in place with SJP, I think it's likely the pre-RDR charging structure remained in place. It follows then as Mr O wasn't paying for the new structure, he hadn't been paying a specific fee for ongoing advice. If he was paying that then I would expect it to have been easily evidenced from a number of sources, such as service statements, initial advice letter and the client agreement.

SJP has provided a copy of its “Keyfacts about our services and costs” document from April 2010, which was part of its standard disclosures at the time, and so likely provided to Mr O. A section in this document explained to him how SJP charged for its services. In my view this closely aligns with the pre-RDR type charging structures that were often seen at the time. I say this because it clearly sets out that Mr O would be paying for services on the basis of commission through product charges. Importantly there is no mention within this document of its ongoing advice service having a separate or distinctive charge.

The product illustrations SJP provided Mr O in the course of the advice explain the charging structure in a similar manner, that the cost of providing its services to Mr O are paid from the commission SJP receives from the provider.

Mr O has highlighted a number of points that he feels evidence that he was receiving ongoing advice. First that the suitability letter from 2010 says:

“I strongly recommend that we conduct a review of your circumstances at regular intervals. I will write to you each year on the anniversary of your plan to provide you with an annual statement in respect of your investments so that we can arrange for a review.”

This letter also says:

“... you should also be aware that the ongoing charges of your investments with [SJP] will be different and may be higher...”

While this letter refers specifically to “ongoing charges”, I’ve not seen these are the same as those SJP tended to use this designation for post-RDR for its separate fee-based provision of ongoing advice. I say this because the letter breaks down the charges to be paid and those relate to the management charges of the underlying assets, rather than specifically for the provision of ongoing advice. Which is in line with the other fee information available from the time, which in my view persuades me that the pre-RDR charging structure was in place and that Mr O wasn’t paying a separate charge for the ongoing advice.

The 2010 suitability letter does in my view show that Mr O was to be provided with a regular review of his investments, seemingly annually. He recalls that often didn’t take place and I note for the period I can consider – from 1 March 2018 until he left its service in 2019 – that I’ve not seen evidence of any meeting or review being arranged or attempted.

Although given Mr O hadn’t paid for any such services, I can’t fairly ask SJP to refund him for that not going ahead.

SJP had agreed however to provide ongoing advice, and I’ve considered if Mr O has otherwise lost out from it not going ahead between 1 March 2018 and him moving away from SJP’s services in 2019. But I’ve not seen persuasive evidence that his circumstances would’ve meant SJP would’ve made a recommendation to change how he was investing. In my view then had the advice gone ahead as it should’ve I don’t think it’s likely any changes would’ve been recommended. Mr O then likely hasn’t lost out from that advice not going ahead.

It follows then I won’t be directing SJP to take any action around the application of charges or the provision of ongoing advice.

Performance

I can't make a finding against SJP just because of how Mr O's investments performed. The movements of markets that affect his investment values are outside of SJP's control and part of the natural risk when investing.

What our service can consider is whether the advice given was suitable, but as I said in my decision about our jurisdiction, the initial advice is out of time and so I can't consider that here.

As I said above while Mr O ought to have received advice in 2018/19 through a regular review, I hadn't seen any circumstances that means it's likely he lost out. Nor have I seen any evidence that SJP didn't invested his money in the way it said it would.

I appreciate Mr O is unhappy with the performance of his investments, but given the initial advice is out of time and I've not seen Mr O's investments were rendered unsuitable by the 2018/19 review not taking place, I can't fairly say it's likely SJP is responsible for the reduced performance Mr O has alleged.

My final decision

For the reasons given above, I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 March 2026.

Ken Roberts

Ombudsman