

The complaint

Miss L complains that she was provided with unsuitable investment advice by an appointed representative of St. James's Place Wealth Management Plc ("SJP"). She also feels that opportunities to correct the situation were then missed because of SJP's failure to provide its ongoing advice service for which she was charged.

What happened

The background to the complaint will be well known to both parties, so I'll only give some key details here.

Miss L became a client of SJP in 2015. Initially the advice provided to her concerned her pension provision, including a transfer to SJP of her £40,000 pension in 2016.

Later in 2018 she received an inheritance and was advised to invest it in three tranches totalling £340,000 between November 2018 and August 2019, into a unit trust feeder account (UTF) and an ISA, invested in SJP's Immediate Income Portfolio. She was also advised on a small further pension contribution in 2019.

On each occasion that advice was provided to Miss L, SJP's ongoing advice service was also recommended.

In 2023, after a period of not receiving the ongoing service, Miss L met with a new adviser and was prompted to make a complaint to SJP, as set out above. She said that the recommended portfolio had been too reliant upon fixed rate assets and, as such, was never likely to have achieved the level of return required to meet her financial objectives. And the subsequent failure to provide the ongoing advice service had then prevented this issue being corrected.

In the absence of a response from SJP, the complaint was referred to this service. SJP did then respond to Miss L, saying that although it was satisfied all the advice provided to her had been suitable for her needs and circumstances, it accepted that she hadn't received its ongoing advice service during 2020, 2021 and 2022. So, it offered to refund the relevant charges – totalling £5,914.21, with interest at 8% simple.

Miss L didn't accept the offer, so one of our investigators looked further into the matter. She concluded, in brief –

- She was satisfied the initial advice provided to Miss L regarding how her pension and inheritance should be invested had been broadly suitable for her needs and circumstances.
- Our rules regarding time limits for referring complaints were such that we were only able to consider concerns regarding the ongoing advice and associated reviews from 2017 onwards.
- In that respect, the investigator felt SJP had, in addition to the years already identified, also failed to provide its ongoing service to review Miss L's investments in

2018 and 2019. So, she felt the relevant charges for those two years should also be refunded.

- However, she nevertheless felt that even if the ongoing service had been provided and reviews not been missed, it was unlikely that changes to the investments would've been recommended within the first few years, particularly as there'd been no significant change to Miss L's circumstances or attitude to risk. So, the investigator didn't feel that the failure to provide the ongoing service had caused a loss.

SJP didn't accept the investigator's view regarding the ongoing advice service. It was satisfied that the service had been provided to Miss L in 2018 and 2019.

Miss L also didn't accept the view. She maintained that the portfolio recommended for her inheritance had been over reliant upon fixed rate assets and that if it had been properly reviewed the money would've been moved into funds more consistent with her objectives and the wider low-interest economy at the time.

The investigator wasn't persuaded to change her opinion, so the matter was referred to me to review.

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.

There are two main elements to Miss L's complaint. Firstly, that SJP failed to provide suitable advice regarding the investment of her pension and inheritance. And secondly, that it then failed to provide its ongoing service and in doing so, opportunities were missed to correct the unsuitability of the initial advice.

Turning first to the issue of suitability, I note that the way in which Miss L's pension, valued at around £40,000 at the time of its transfer to SJP in 2016, was invested doesn't appear to be particularly in dispute. It was invested at a medium level of risk into SJP's Managed Fund Portfolio. Rather, her main concern is the way in which the inheritance, totalling £340,000, was later invested in 2018/19.

The suitability letter issued to Miss L regarding the first tranche of that investment – £150,000 in November 2018 – noted the overall priority as being investment "*in a tax efficient manner and keep pace with inflation*". It went on to say that while Miss L was looking to achieve capital growth, she had no specific target growth figure in mind. In respect of her attitude to risk it was agreed as 'lower-medium', which was in contrast to the higher risk level previously agreed for her pension. Elsewhere in the letter, she was also described as a 'cautious' investor who, again, wanted her money to keep pace with inflation.

The letter said that several of SJP's lower-medium risk portfolios were considered and the Immediate Income Portfolio chosen, in part at least because Miss L liked that it invested more in bonds than the other portfolios.

Given Miss L's circumstances at the time – she didn't work due to health considerations and was supported by her partner – I think the recommendation made was broadly consistent with those circumstances and what was recorded regarding her objectives. I note that her complaint has been very much driven by a belief that the portfolio, with its reliance upon fixed rate assets as opposed to equities, was never likely to achieve her financial objectives. But I think that view is reached, to a certain extent at least, with the benefit of hindsight.

There's nothing in what was documented at the time nor in a consideration of Miss L's circumstances that persuades me that it was unsuitable or unreasonable to advise her to invest as she did. While her pension was invested at a higher level of risk, given that she was in her late 40s at the time of investment, it would've been expected that the pension monies would be invested over a longer period. The inherited money, while it was likely to be used to provide some support in retirement, doesn't appear to have been invested with the same objective.

Turning then to the second part of the complaint, regarding the ongoing advice service and whether SJP's failures in that respect disadvantaged Miss L, SJP has accepted that it failed to provide the service for 2020, 2021 and 2022. But the investigator also felt there was no evidence to support the service having been provided during 2018 and 2019, so an additional refund relating to those years should be also made.

My view on this issue differs from the investigator's. Looking at the service provided to Miss L during 2018 and 2019, SJP's records and other documentation show there was ongoing engagement between her and the adviser, particularly in relation to her pension.

My thoughts on this point have been put to Miss L, and I recognise she feels strongly that the charges relating to 2018 and 2019 should also be refunded as no formal financial reviews took place.

There were several meetings/discussions during 2018/2019 that dealt with the investment of Miss L's inheritance, so I accept they related primarily to new business. But the documentary evidence also shows that, in addition to those meetings, a virtual meeting took place in July 2018 with Miss L and her partner where pension provision and their general circumstances were discussed. And further, there was another meeting in October 2019, about a year after the initial investment of the inheritance was made where the unit trust feeder and ISA were discussed and other general planning looked at.

This being so, I think the current offer from SJP in respect of the ongoing advice charges for 2020, 2021 and 2022 is fair in all the circumstances. It covers the majority of the period during which Miss L's investments should've been reviewed.

Lastly, I must consider what might otherwise have happened if the ongoing service had been provided to Miss L during 2020, 2021 and 2022 and she'd received reviews of the investments during that period.

I understand that having had changes recommended to the investments in 2023 when she met with a new adviser, Miss L feels that those changes, or similar, should've happened sooner and if they had done, her investment returns would've improved. But I don't think that the fact that after five years a decision was taken to change the investments means that changes would, or should, have happened sooner. The years immediately following the recommendation to invest in the UTF and ISA saw a great deal of financial uncertainty – first the pandemic in 2020, then the inflation issues that followed it, coupled with the war in Ukraine in 2022. And Miss L's circumstances didn't significantly change over the period.

This being so, on balance, I don't think it likely that if reviews had taken place the result would've have been to move from the portfolio that had been considered suitable for her circumstances and objectives in 2018/19. I think more likely than not, she would've been advised to remain broadly as she was, with changes then made when the overall financial situation had calmed, as did ultimately happen in 2023.

Putting things right

SJP must refund the ongoing advice fees charged to Miss L for 2020, 2021 and 2022, plus interest at 8% simple from the date of payment to the date of this decision.

It must also pay her £150 for the distress and inconvenience caused by its failure to provide its ongoing advice service as agreed.

My final decision

For the reasons given, my final decision is that I uphold the complaint and direct St. James's Place Wealth Management Plc to compensate Miss L as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 19 March 2026.

James Harris
Ombudsman