

The complaint

Mr J complains, with the help of a professional third party, about the advice and service he has received from St. James's Place Wealth Management Plc ('SJPWM'). Mr J believes the advice he received to open investment products was potentially unsuitable for him. And he also says that SJPWM has failed to provide the ongoing service he has paid for.

Mr J's wife, Mrs J, has made a similar complaint about SJPWM. This complaint, and this decision, is looking at Mr J's complaint only. However, as there is some overlap between the complaints, where necessary I've referred to the relevant circumstances relating to Mrs J.

What happened

SJPWM met with Mr J (along with his wife, Mrs J) in December 2007 to discuss their aims and objectives. Following this discussion SJPWM recommended that he open an investment ISA, provided by St James's Place, and begin making contributions of approximately £400 per month to it. An illustration for the ISA was produced as part of the advice process, which confirmed that SJPWM would receive remuneration from the ISA provider for arranging the plan and set out the amounts.

In November 2014, SJPWM gave Mr and Mrs J further advice, as they were looking to invest a sum of money they'd received from the sale of a business. In short, SJPWM recommended that Mr J make a lump sum contribution to an investment ISA, open a Unit Trust account linked to that ISA – which would automatically fund the ISA up to the maximum annual allowance in the following years – and take out and invest in an investment bond (it was indicated that this was to be jointly held with Mrs J, but the information indicates two bonds were opened). All of these investment products were again provided by St James's Place (part of the same group as SJPWM but a different business entity). SJPWM also said that it *"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 plans to provide you with an annual statement in respect of your investment so that we can arrange for a review."*

SJPWM enclosed documents setting out the key facts about its service and terms of business as well as illustrations for the recommended products.

The illustrations we've been provided copies of all contained a section about cost. This started by saying *"Our advice is not free"*. They then set out the monetary cost for the initial recommendation. And then went on to say *"The cost covers all of our expenses incurred in providing, checking and guaranteeing your advice. The remuneration of your Partner is only one element of this cost, from which they meet their own business expenses. We will also provide you with ongoing advice to review your investment and ensure it remains appropriate, as set out in the "Welcome to St James's Place" brochure provided by your Partner. The fee for this is 0.5% of your investment each year. It is paid for by deduction from the value of your investment and so will increase as your investment grows."*

SJPWM wrote to Mr and Mrs J on 8 September 2016, thanking them for taking the time that day to discuss and review their investment products. It recommended fund switches within

the products Mr J held but no changes to the products themselves.

SJPWM says that the investment bonds were closed around November 2016. It wrote to Mr and Mrs J again on 4 April 2017 following up on a review meeting earlier that day. It noted there had been no real change in Mr J's circumstances and no changes were recommended at that time to his investments.

SJPWM has acknowledged that no further review meetings took place and noted that Mr J withdrew his investments over the following few years.

Mr J's representatives complained to SJPWM on his behalf on 30 January 2024. They said the advice provided to Mr J was unsuitable. They highlighted in particular that SJPWM only offered products from St James's Place which the representative felt wasn't made sufficiently clear. And they said the early exit costs of the recommended products had not been set out clearly and meant they weren't suitable. In addition, the representative said Mr J had been charged ongoing service fees but hadn't received the agreed service.

SJPWM didn't agree that the advice to open the investments was unsuitable. In respect of the ongoing services, it thought some of Mr J's complaint had been made too late under our rules to be considered and was therefore "time barred" - his complaint about not having received ongoing service more than six years before the date of complaint was not something it thought we could consider.

In respect of reviews due in the six years prior to the complaint being made in January 2024, it acknowledged that annual reviews had not been conducted as expected in those years. So, it said it would refund the amounts charged for these, plus interest at 8%, and pay Mr J £150 in respect of any distress and inconvenience caused.

Mr J's representative asked our Service to consider the complaint. One of our Investigator's looked into it. They agreed we could not consider Mr J's complaint about the ongoing advice service, and whether SJPWM failed to provide this, for events prior to January 2018. In respect of the merits of the complaint, they thought the advice given to Mr J by SJPWM appeared to have been suitable based on the available information. And they thought SJPWM's offer in respect of events since January 2018 was fair.

Mr J's representative did not agree with the Investigator's opinion or that we could not consider the complaint in full.

I issued a decision in January 2026 about the extent of our jurisdiction to consider the complaint. In summary, we can consider Mr J's complaint about the suitability of the advice he received in 2007 and 2014 – as SJPWM consented to us doing so. But in respect of the ongoing advice services and whether these were provided correctly, we can only consider these events from 30 January 2018 onwards.

This decision will now look at the merits of those aspects of Mr J's complaint, as agreement has not yet been reached.

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.

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.

There are several individual parts to Mr J's complaint. There are the concerns about suitability of the advice he received from SJPWM to take out his investments in both 2007 and 2014. And there is his complaint that he has not received the ongoing services which he paid for. For ease of reading, I'll deal with these issues separately.

The suitability of the 2007 advice

The fact find SJPWM completed with Mr J at the time recorded that he and Mrs J had a combined disposable income each month, after paying their recorded expenditure, of several thousand pounds. The objective that was recorded for Mr J was that he wanted to set up regular tax-free saving to achieve medium to long term growth. Given the information gathered and recorded, I think this sounds like a reasonable and realistic objective for him to have. The recommendation letter also repeated this as being his objective when taking advice, and I haven't seen anything to indicate that Mr J disagreed with this at the time.

The information gathered by SJPWM – particularly about Mr J's assets and liabilities, capacity for loss and disposable income was in line with what I'd have expected to see an adviser obtain, based on what Mr J wanted advice about.

SJP recommended that Mr J take out an investment ISA and make contributions of £400 per month to this. These contributions were affordable based on his recorded disposable income. The ISA achieved the aim of saving on a tax-free basis and it being investment based offered the potential of better returns than deposit-based savings. It is true that there was additional risk involved, compared to say a cash ISA. But SJPWM established that Mr J had a 'medium' attitude to risk. And I think this was a fair conclusion for SJPWM to have reached based on Mr J's objective of achieving growth and his circumstances, not least his capacity for loss – as he had disposable income as well as an emergency fund. The illustration provided by SJPWM also made it clear that there was risk involved and returns were not guaranteed.

So overall, I think the advice Mr J was given in 2007 was suitable, based on his circumstances and objectives.

Mr J's representative has said that SJPWM didn't consider other alternatives available on the open market, because it was restricted in the advice it could give. And they believe that means the advice was unsuitable. It is correct SJPWM wasn't an independent adviser looking at the whole market and only provided advice on a limited number of options. But I've seen an example copy of SJPWM's 'Key facts about our services' document from the time, which made it clear that its advice was limited. And the recommendation letter confirmed that this had been shared with Mr J – and I'm satisfied on balance it likely was. So, SJPWM provided Mr J with clear information about its status, to enable him to make an informed decision.

Taking all of this into account, I don't think SJPWM has done anything wrong in respect of the 2007 advice.

The suitability of the 2014 advice

An updated fact find was completed with Mr and Mrs J in 2014. Their income lower than it had been previously. But it still exceeded their outgoings leaving them with approximately

£2,000 disposable income each month. They also now had a significant amount on deposit from the sale of a business.

SJPWM recorded that Mr and Mrs J wanted to invest some of the proceeds of the business sale to achieve medium to long term growth in as tax efficient a manner as possible. It said they wanted to invest just under 60% of the sale proceeds, with the remaining 40% held as a working / emergency fund to meet any ongoing needs. They anticipated having lump sum expenditure in the following year or two (a tax bill from the business sale and a lump sum mortgage payment). But the amount they anticipated they'd need to cover these outgoings was only half of the amount they were retaining. Mr J's attitude to risk in respect of this investment was again considered 'medium'.

This information was all summarised in the subsequent recommendation and again there is no indication that Mr J thought it was not an accurate reflection of his circumstances at the time.

SJPWM recommended that Mr J open an investment ISA and make the maximum contribution possible for that financial year. Which appears to have been aimed at meeting Mr J's objective of tax efficient investing and achieving medium to long term growth.

It also recommended that Mr J open a unit trust which would be set up to fund the ISA, up to the maximum allowance, in the years following the advice. So, he would continue to save in a tax efficient manner. And SJPWM explained that it had recommended the amount invested in the unit trust be limited to a set amount, so as to be less likely to result in Mr J incurring an increased income tax burden in the future – once more addressing the objective of investing with tax efficiency.

Finally, SJPWM recommended an investment bond. It set out that this was a medium to long term investment with the aim of achieving growth – as Mr J intended – and benefitting from monitoring from fund managers. The bond also had some in built flexibility, enabling withdrawals of up to 5% of the balance each year as tax free income should Mr J need this in the future – although it was recorded that taking an income from the bond was not the intention at the time.

Based on Mr J's circumstances, the products recommended by SJPWM appear to have met the objectives that he'd told it about. The investment strategies recommended appear to have been appropriate to Mr J's recorded medium attitude to risk. And I think the assessment of his attitude to risk still being 'medium' seems to have been reasonable. This looks to have been based on the conversations at the time, SJPWM's previous dealings with Mr J and updated view of his circumstances, not least his capacity for loss which was supported by the significant emergency fund that was to be held in reserve. The suitability report also talked about other options which had been discounted – due to the potential to incur higher taxation or the increased risk involved. And overall, I think the recommendations made by SJPWM were suitable, based on Mr J's circumstances and objectives.

Mr J's representative says he incurred significant early exit penalties when he later chose to surrender these policies – which I understand mainly is in reference to the investment bond – making them unsuitable. But there was nothing recorded at the time about surrendering these investments in the short term being likely or Mr J's intention. It was recorded and stated by SJPWM that the intention was that Mr J was investing for the medium to long term. There is nothing that suggests SJPWM was told anything to the contrary. And, although upcoming lump sum expenditure was noted, the amount that Mr and Mrs J were retaining as an 'emergency' fund was to be used to cover these and was sufficient to do so while also leaving a significant further sum for any unforeseen expenditure. So, I don't think the presence of early exit penalties in the recommended investment products meant they were

unsuitable, based on Mr J's recorded circumstances and intentions at the time.

In addition, SJPWM clearly set out in its recommendation that early encashment penalties would apply to the investment bond in the first six years – and how these reduced over the initial six years after investment. This was repeated in the illustration for the investment bond, which was shared with Mr J. So, I'm satisfied that SJPWM also made Mr J aware of these penalties, before he accepted its advice.

The representative has again pointed to SJPWM not offering products from the whole market as potentially making the advice unsuitable. But the 'key facts about our service and costs' document, which SJPWM again confirmed in the recommendation had been shared with Mr J, once more set out that SJPWM only offered advice on a limited selection of products, not the whole market. So, I'm satisfied it again made Mr J aware of its advising status when providing advice, so that he was in an informed position.

So, having considered all of the relevant information, I'm also of the opinion that SJPWM has not made an error in respect of the 2014 advice.

The ongoing advice service and whether this was provided correctly

As I've summarised, although the ongoing service was first agreed when advice was given in 2014, I can only look at whether SJPWM made errors in providing or charging for the ongoing service from 30 January 2018 onwards.

SJPWM said, in its recommendation in 2014, the adviser would write to Mr J each year, providing an annual statement so that a review could be arranged. So, I'm satisfied that annual reviews ought to have been carried out, under the agreement between the parties. But SJPWM has acknowledged in its response to the complaint that annual reviews were not conducted in 2018 or any years following that. So, it agrees that it failed to provide the relevant service since 30 January 2018.

SJPWM has said it will refund all fees paid for the missed reviews from 2018 onwards, plus interest at 8%. And it says it will pay Mr J £150 for any distress caused.

I think a refund of the amounts paid for services not received is an appropriate way to address the error made. And, in the specific circumstances of Mr J's complaint, with the investments having been surrendered when they were, I think the offer to pay 8% interest is a reasonable and pragmatic solution (although like our Investigator I think any interest should be recalculated to the date of my decision – which SJPWM hasn't disputed).

So, I believe the offer made by SJPWM is fair and reasonable and I don't require it to do anything more to resolve things, beyond paying the redress already offered.

My final decision

For the reasons I've explained, I think the offer made by St. James's Place Wealth Management Plc in its response to Mr J's complaint is a fair and reasonable way to resolve matters, once the interest has been recalculated to the date of this decision.

So, to put matters right, if it hasn't already done so, it should pay the agreed redress to Mr J.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 March 2026.

Ben Stoker
Ombudsman