

The complaint

Mr S complains that St James's Place Wealth Management Plc ("SJP") has treated him unfairly because of a suspension of part of his pension fund. He says he's unable to transfer the last part of his pension to another provider.

What happened

Mr S had a drawdown pension retirement account with SJP. A small part of his pension was invested in the "SJP Property Fund".

SJP wrote to investors on 30 October 2023 to tell them it was suspending withdrawals from the SJP Property Fund. The letter explained why it had made this decision. It stated:

"We've decided to defer withdrawals from our Property funds (Pension and Life) with immediate effect from 12pm on 20 October 2023. This deferral could be for up to six months."

The SJP Property Fund remained suspended more than six months later. Withdrawals were deferred and, in November 2024, SJP said the fund would be wound down with returns paid to investors periodically when properties were sold. SJP's letter to investors about this in December 2024 said:

"Any outstanding requests to withdraw or switch out of the Life and Pension Property funds will not be processed. In these exceptional circumstances, the Terms and Conditions of your Retirement Account, Investment Bond, or Trustee Investment Account allow us to terminate transactions."

Mr S applied to transfer his entire SJP pension fund to another provider in April 2025 in order to purchase an annuity. I understand his overall fund amounted to around £780,000. He couldn't transfer the amount invested in the SJP Property Fund – around £9,000 - because of the suspension/winding down mentioned above. But Mr S was able to transfer the remainder of his fund.

Mr S complained to SJP in April 2025. He didn't think it was fair that his funds in the SJP Property Fund weren't being released and that he was being charged fees for the administration of that part of his pension that remained with SJP.

The complaint was then referred to our service. Our investigator didn't think that the complaint should be upheld. He felt that SJP had acted reasonably when it'd prevented withdrawals from the SJP Property Fund. Mr S didn't agree and has asked me to make a final decision. In summary, he says:

- At the time of making the investments in the retirement account, he had intended invest only in low-to-medium risk assets as he intended to retire in a few years and to ensure that if he passed away his family could access the funds immediately. He said documents provided to him at the time of the investment said that the SJP Property fund could be suspended for up to six months – not longer than this. And

Mr S relied on these documents.

- Approximately 10% of his pension was invested in the SJP Property Fund. He'd done so on the basis he'd seen and signed the documents that clearly and explicitly stated that, due to the nature of property investments, monies in the fund could take up to six months to be released in certain circumstances. He was never told at the time or later that the funds could be suspended for longer than six months or indefinitely.
- Mr S hadn't received communications about the suspension of the SJP property Fund. These communications were sent via an app – and he'd never been told that communications would be sent via an app. The first time he was aware that funds had been suspended was in early 2025 when he formally requested the transfer away from SJP. The issue wasn't raised in reviews with his adviser.
- The failure to release the funds in the SJP Property Fund has had an irreversible impact on the annuity he was able to purchase from the new provider and he's been subject to unfair ongoing charges.
- SJP hadn't acted transparently in respect of the SJP Property Fund – in breach of its obligations as set in the regulator's Consumer Duty.
- SJP hadn't offered a reasonable alternative to those investors like Mr S whose retirement was impacted.

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 want to make clear that I've taken account of all of Mr S's detailed submissions. But the purpose of my decision isn't to address every point raised and if I don't refer to something it isn't because I've ignored it but because I'm satisfied that I don't need to do so to reach what I think is the right outcome. This simply reflects the informal nature of this service as a free alternative to the courts.

In deciding this complaint, I'm not looking at the suitability of the advice SJP provided to Mr S in transferring his previous pension to the SJP retirement account. The sole focus of Mr S's complaint is what he says is the unfair acts of SJP in not releasing the funds from his investment to him and so that is what this decision addresses.

As a starting point, I think it's relevant that at the time of the advice in 2021, Mr S had no immediate plans to take an annuity. The intention was to take flexible drawdown when Mr S was ready to retire in the next 2-3 years – and even then this wouldn't require immediate access to all the funds held in the pension as any funds not drawn down would remain invested. In the circumstances, I don't think it was unreasonable for SJP to recommend that Mr S invest a proportion - 7.9% - of his funds in the SJP Property Fund. There was a risk that such funds might become illiquid and result in access delays – but I think that risk was mitigated by the proportions held and the likely need for access to the funds in the short term. So I don't think SJP's advice that Mr S hold 7.9% of his holdings in the SJP Property fund was unsuitable.

There's also no evidence that Mr S was considering an annuity as an option until 2025 – i.e. at any time before the property fund was suspended in October 2023. So I don't think there

was any compelling reason for SJP to advise Mr S to reduce or sell the property fund holding before the suspension in October 2023.

Has SJP acted fairly in not releasing Mr S's funds

The crux of Mr S's complaint is that SJP had set out in the documents provided to him at the time of the initial investment that the property fund might be suspended for up to six months. The investment certificate he was provided with said:

"If you are invested in a Fund that holds property (for example land or buildings) or other assets that can be difficult to sell (for example private equity or private credit), we may delay income payments, requests to purchase an annuity, transfer, switch requests, payments of tax free cash, payments of Uncrystallised Funds Pension Lump Sums and payment of the Death Benefit, by up to six months."

The key facts document he was provided with said:

"As the Property Fund holds illiquid assets we may delay (by up to six months) requests to withdraw or switch funds."

On this basis, I can understand why Mr S is upset about the fact that the property fund was suspended for far longer than six months and why he thinks this is unfair. The documents provided to him were misleading as SJP ought to have known that there was a possibility suspensions could last longer.

However, in these circumstances, I still don't think the documents mean that SJP is obligated to release Mr S's funds. The decision to suspend and now wind down the fund would have been undertaken by SJP in conjunction with a separate fund manager. SJP has explained very clearly why the property fund was suspended from trading for longer than six months. Property funds have been coming under increasing pressure across the whole market – and this includes the SJP property fund. This has led to investors increasing withdrawals – and the demand for the withdrawals can't be met without selling property assets at a substantial discount to fair market value. That wouldn't result in good customer outcomes. So I think SJP's explanation and reasons for the longer suspension (and now winding down of the fund) are reasonable. And, from what I understand, this isn't an issue that's exclusive to SJP – other property fund providers have also introduced similar controls given market conditions to protect and treat investors fairly.

In light of this, I don't think it would be fair to ask SJP to release Mr S's investment in the property fund notwithstanding the investment certificate and key facts documents. Doing so would result in Mr S being treated more favourably than other consumers also invested in SJP's property fund – so that wouldn't be fair or reasonable. I think it's reasonable that SJP deals with all investors, including Mr S, in the same manner even if it has resulted in this situation where Mr S's investment is suspended longer than he'd been led to believe would possibly happen at the outset.

In addition to the above general point, when trying to remedy a misrepresentation, the aim is to put a person in the position they would be in if the negligent misstatement had not been made. It's not to put them in the position they'd be in if as if the misrepresentation was true. And despite Mr S's assertions, I can't reasonably conclude that Mr S would not have made the SJP Property Fund investment if the SJP documents had said there was a risk SJP Property Fund might may suffer liquidity issues and suspension (which they did) but without the misleading reference to six months.

Did SJP communicate with Mr S fairly about the property fund suspension?

Mr S says that he was not made aware in 2023 that the SJP property fund had been suspended. He says the October 2023 letter regarding the suspension was actually sent to the SJP app and that he never accessed it. Nor was the property suspension mentioned in any reviews he had with his SJP adviser and he only found out about things in 2025 when he wanted to transfer away.

However, SJP has provided a letter addressed to Mr S dated 30 October 2023 regarding the suspension which suggests it was posted to him at the time. Other subsequent update letters regarding the suspension were also addressed to Mr S.

Furthermore, even if correspondence was loaded on to the app and Mr S didn't access it, I don't think it would be fair to ask SJP to compensate Mr S for this. Ultimately, Mr S appears to have had access to the app at the material times.

I've also taken account of the fact that Mr S had no intention before 2025 of doing anything different with his pension. So the fact that he might not have known earlier than 2025 that the property fund was suspended (either through reviews or correspondence) had no material impact on him. So I don't think there's any basis for me ask SJP to compensate Mr S in respect of its communications to Mr S about the SJP Property Fund.

Is it fair for SJP to continue to charge Mr S administration fees for the fund?

Mr S says it's unfair that he still has to pay fees to SJP to administer his remaining funds. But I think it's reasonable for SJP to apply the fees given that it is still administering Mr S's account and managing the wind down.

I know that Mr S feels strongly about this complaint and I don't doubt that the situation with the SJP Property Fund has caused him concern and inconvenience. As a result, he has my natural sympathy. But, for the reasons I've explained, I can't conclude that SJP should compensate Mr S. So I don't uphold this complaint.

My final decision

I don't uphold Mr S's complaint against St. James's Place Wealth Management Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 May 2026.

Abdul Hafez
Ombudsman