

The complaint

The Mr and Mrs B Variable Discretionary Trust complains that St James Place Wealth Management Plc (“SJP”) didn’t pay the trust the amount quoted in the withdrawal calculation when an investment bond was encashed.

The complaint is brought on the trust’s behalf by the trustees who are also the two settlors and the three beneficiaries. All correspondence on this matter has been with Mr B who, effectively, is bringing the complaint on all the trustees’ behalves.

Mr B wants SJP to pay the amount he says the beneficiaries didn’t receive – around £6,740; and to make a gesture of goodwill, to reflect the distress and inconvenience they’ve suffered.

What happened

The discretionary trust was set up in 2016 by Mr and Mrs B. The trustees invested in an investment bond.

In February 2025, the trustees decided to encash the bond. Mr B said they’d been dissatisfied with the performance of the bond, and with the service they’d received from SJP.

SJP provided Mr B with a withdrawal calculation as at 10 February of £79,916. The trustees gave instructions to encash the bond in March and pay the proceeds to the three beneficiaries. But the amount paid was only £73,176. SJP told Mr B the difference was the value shown for the property fund held in the bond. This fund was suspended in October 2023 and in December 2024 a decision was taken to close the fund.

Mr B complained. He said the trustees weren’t made aware that withdrawals from the fund had been stopped, or that the regular valuations they’d been receiving, and the February withdrawal calculation, included a value for the fund that they wouldn’t receive. They said the trustees wouldn’t have encashed the bond if they’d known.

SJP said it had sent Mr B letters about the property fund and that he would be kept informed as and when capital distributions were made. It said the fund remained part of the trust’s investments and excluding the value from valuations wouldn’t have provided an accurate reflection of the trust’s holdings.

Our investigator concluded that SJP had failed to clearly inform the trustees that the suspended property fund would affect the bond’s encashment value. But he wasn’t persuaded that the trustees wouldn’t have encashed the bond if they’d known. He didn’t think it was fair for the trust to receive an amount that it wasn’t entitled to. But he thought the trustees should be compensated for the loss of expectation and for the distress and inconvenience caused. He thought £250 was fair and reasonable in the circumstances.

Mr B, on behalf of all the trustees, didn’t agree. He said, in summary, that:

- The trustees asked SJP for an encashment value and trusted that the figure was correct. SJP made no reference to the possibility that this figure might be subject to adjustment.

- The trustees wouldn't have agreed to encash the bond if they'd known SJP would withhold over £6,000. The encashment proceeds were distributed directly to the beneficiaries so the bond couldn't be reinstated, even if that's what the trustees wanted.
- Whilst Mr B also held the property fund in his personal account with SJP, the other trustees were not made aware of the situation. And the valuations for his personal account reflected a loss in value for the property fund which the trust's bond didn't – so it seemed to him that the property fund held in the trust's bond must've been different to the one he held personally.
- SJP misled the trustees when it gave them the encashment valuation and it should honour that figure.

SJP said it had written to Mr B to tell him and the other trustees about the suspension and wind down of the property fund and that its 2023 and 2024 reports confirmed that money couldn't be withdrawn. But it agreed to pay the trustees the £250 compensation recommended by the investigator.

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 agree with our investigator that SJP should have made it clear that the encashment value it provided to the trustees included the property fund. And that, because money couldn't be withdrawn from the fund, the value shown for that fund wouldn't be received on encashment.

Having found SJP failed to make that clear, I need to decide what, if anything, the trustees would have done differently if they'd known the value included the suspended property fund.

Mr B says the trustees wouldn't have encashed the bond. Whilst I accept that's possible, I don't think it's most likely what they would have done. I say that because the trustees made it clear that they weren't happy with the bond's performance, or with SJP's level of service. Knowing the value of the property fund wouldn't be received immediately, and might be less than the figure quoted, wouldn't have changed how they felt about the bond's performance or SJP's service levels. And keeping the bond wouldn't have changed the position of the property fund – the wind down process would still have continued.

So, even though I think SJP should've made it clear that the encashment value wouldn't include the property fund value quoted, I don't think the trustees would have done anything differently.

And I don't find SJP is obliged to honour the value in its encashment valuation, because this isn't the amount that was due to be received. And it wouldn't be fair for the trust, or the beneficiaries, to receive an amount it isn't entitled to. But I appreciate it was disappointing for the trustees to learn that the actual encashment value was less than they expected to receive. I think the £250 compensation recommended by the investigator, which SJP has agreed to pay, is fair and reasonable in the circumstances.

I've gone on to consider the communications about the suspension and winding up of the property fund. Firstly, as the first named settlor and trustee, all communication about the trust was sent to Mr B on behalf of all the trustees. I've not seen any evidence to show that the other trustees requested direct communication about the trust. Secondly, I'm satisfied

that SJP kept Mr B, on behalf of the trustees, informed about the property fund. SJP wrote to him on 30 October 2023 to tell him that withdrawals from the fund had been deferred. And on 4 December 2024 to tell him that the fund was going to be removed and wound down. And it gave him details of where he could keep up to date with any developments. The December letter also explained that *“the value of your investment will continue to appear in your Annual and Quarterly Wealth Reports”*.

Mr B also says the fund was reported differently in his personal ISA account. This complaint is about the trust, and I can't comment on the valuations he received for his personal account. But in the trust's case, the fund was held in a bond which may explain any difference in the way the value was reported.

The sale of the underlying properties in the fund continues and capital distributions will continue to be received by the trust periodically. SJP has said it will write to Mr B as and when capital distributions are made so that the trustees can arrange to pay the money received to the beneficiaries, if this is what they want to do.

My final decision

My final decision is that St James Place Wealth Management Plc should pay Mr B and Mrs B as trustees of the Variable Discretionary Trust £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B as trustees of the Variable Discretionary Trust to accept or reject my decision before 26 March 2026.

Elizabeth Dawes
Ombudsman