

## The complaint

Ms B complains that PPA Wealth Ltd failed to provide her with the ongoing reviews of her pension that it ought to have done.

## What happened

The background to this complaint is well known to both sides, so I'll keep my summary of events brief.

Ms B approached PPA Wealth for advice regarding a share of pension funds she was due to receive during a divorce.

In 2018 PPA Wealth met with Ms B and recommended she invest her share of the pension funds in a new pension it would set up for her. As part of the advice process Ms B agreed to PPA Wealth's client agreement for both initial advice charges and its ongoing service.

In the client agreement PPA Wealth set out the two levels of ongoing service it offered as follows:

Ongoing Service	Ongoing Charges
<p><b>"Here when you need us"</b> This is our <i>'light touch'</i> service</p>	<ul style="list-style-type: none"> <li>• No ongoing charges are levied</li> <li>• Subsequent contact is initiated by you</li> <li>• Any further review work or additional advice is a new engagement</li> </ul>
<p><b>"Retained Advice"</b> Twice yearly review cycle</p>	<ul style="list-style-type: none"> <li>• This is our default option</li> <li>• Valuations and reviews are scheduled six-monthly</li> <li>• We drive client contact</li> <li>• <b>Charge for this service is 0.65% pa</b></li> </ul>

The client agreement set out the details of the agreed fees. It recorded the agreed fee of 2.25% of the fund's total value for the initial advice and under ongoing services, in a handwritten section, it said Ms B had agreed to pay 0.65% per year of the fund's value for an 'annual review'.

The suitability report from April 2018 set out further information about the ongoing service. It said:

### *Reviews and ongoing service*

*Your circumstances and needs may change in the future, so it is important we regularly review your financial arrangements to ensure their continued suitability and that you remain on target to achieve your objectives. I provide various client service propositions which govern how and when I will contact you, as well as any costs you can expect to incur. You have selected an on-going advice service primarily focused*

*on the recommendations provided in this report. We agreed I will contact you to review your financial arrangements once a year. The current charge for this service is 0.65% per annum of the amount invested. However, you can opt out of this on-going service at any time. I refer you to our Client Agreement for further information regarding our service proposition.*

PPA Wealth say it met with Ms B in January 2019 for a review, but no changes were made. It says it also reached out to Ms B in 2021 to join its client portal, but she didn't respond.

Ms B complained to PPA Wealth in June 2025 after she'd transferred the servicing of her plan to a different firm. In summary she said she hadn't received any of the reviews of her pension she was entitled to since it was set up in 2018.

Ms B went on to say that she'd contacted PPA Wealth in 2021 to change the beneficiary on her pension. PPA had sent her forms which she completed and return but was shocked to find in 2023 that the beneficiary hadn't been changed. She was also concerned that PPA Wealth hadn't completed work to consolidate another existing pension into her plan which she'd asked it to consider.

Ms B asked that PPA Wealth refund the ongoing advice charges (OACs) it had received from her plan.

PPA Wealth responded to Ms B's complaint. It said it had met once, in January 2019 to review the plan. It said it had invited Ms B to join its client portal in 2021, but she hadn't responded.

PPA Wealth said the ongoing service was there, in part, to remove any hesitation on clients behalf to make contact. And Ms B had reached out in 2021 without any discussion of a fee needed. It didn't think Ms B had suffered any losses as the 'buy and hold' nature of her investments had worked well.

It went on to say that it had sent the beneficiary form to Ms B's provider on its receipt. It apologised that the form hadn't been completed in a timely fashion but was glad Ms B had managed to resolve the issue directly with the provider.

Regarding the consolidation of Ms B's other pension, it said it partially upheld her complaint. It said it should have made it clearer to her that without joining the client portal, it was unable to communicate with her further. It said it could have made that clearer.

PPA Wealth offered a one-off payment of £1,250 comprised of a refund of fees for the last full year and £250 for any distress or inconvenience caused.

Ms B didn't accept PPA Wealth's response and referred her complaint to our Service. It was looked into by one of our investigators who was unable to resolve things informally. So, the complaint has been passed to me for a decision.

### **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.

When considering what is fair and reasonable, I take into account relevant laws and regulations as well as the regulator's rules, guidance and standards. Where appropriate I also consider what was good industry practice at the time of the advice.

## What the regulator had to say about ongoing charges

As a regulated firm, PPA Wealth had many rules and principles that they needed to adhere to when providing advice to Ms B. Many of these were found in the Financial Conduct Authority's (FCA's) handbook under the Conduct of Business Sourcebook (COBS) and Principles for Businesses (PRIN) which, amongst other things, says that a firm must pay due regard to the interests of their clients and treat them fairly.

The most relevant rule to this complaint is;

### *COBS 6.1A.22*

*A firm must not use an adviser charge which is structured to be payable by the retail client over a period of time unless (1) or (2) applies:*

*(1) the adviser charge is in respect of an ongoing service for the provision of personal recommendations or related services and:*

*(a) the firm has disclosed that service along with the adviser charge; and*

*(b) the retail client is provided with a right to cancel the ongoing service, which must be reasonable in all the circumstances, without penalty and without requiring the retail client to give any reason...*

The regulator also produced guidance in the form of an FCA factsheet (For investment advisers - Setting out what we require from advisers on how they charge their clients). The factsheet said;

### *'Ongoing adviser charges*

*Ongoing charges should only be levied where a consumer is paying for ongoing service, such as a performance review of their investments, or where the product is a regular payment one. If you are providing an ongoing service, you should clearly confirm the details of the ongoing service, any associated charges and how the client can cancel it. This can be written or orally disclosed. You must ensure you have robust systems and controls in place to make sure your clients receive the ongoing service you have committed to.'*

In February 2025 the Financial Conduct Authority (FCA) also set out its findings from a recent review of whether financial advisers were delivering the ongoing advice service that consumers had paid for.

Of relevance to this complaint, it said Firms can charge consumers for ongoing services that include personal recommendations and related services or related services alone, provided they relate to an earlier personal recommendation provided by the firm. It also said what constitutes ongoing advice can be broad. The services offered by firms vary and are set out in individual client contracts.

## Did PPA Wealth meet the regulator's expectations in relation to the ongoing advice charges?

I don't think it did. I'll explain why.

Ms B's contract with PPA was set out in the client agreement and suitability letter. There is some discrepancy as the client agreement seems to suggest that the *standard* ongoing service PPA Wealth offered was a 'twice yearly review cycle'. Whereas the details

handwritten in the agreed fees and contained within the suitability letter suggest Ms B had agreed to an 'annual' review and contact would be made once a year.

Considering that the handwritten part of the form and suitability letter are specific to Ms B's agreement with PPA Wealth I think, on balance, the specific agreement Ms B had with PPA wealth was to deliver a review annually.

PPA Wealth say it delivered a review in January 2019. It hasn't provided any documentary evidence that the review took place which I'd expect to see. However, even if it did, Ms B had signed up to an annual review which wouldn't have been due until August 2019. PPA Wealth commented in its final response letter 'there was little to discuss' in this meeting which isn't surprising considering the close proximity to the original advice. Providing the service six-months early in these circumstances offered little value to Ms B.

There seems to be no dispute that PPA Wealth failed to review Ms B's pension at any other point over the years.

In its response to Ms B's complaint and submissions to our Service PPA Wealth have suggested that the value of the service comes from being on hand to Ms B had she needed it. But I disagree.

Ms B had a clear contractual relationship with PPA Wealth to provide certain services on an annual basis which included a review and valuation. I've seen no evidence those Services were delivered, and bar January 2019, that isn't disputed.

PPA Wealth seem to be under the mistaken impression that it was down to Ms B to request the service to be delivered each year. To be clear the responsibility falls on PPA Wealth to, at the very least, attempt to deliver the service to Ms B each year. PPA Wealth's agreement itself clearly set out that "we drive the contact" and the suitability letter from PPA Wealth's adviser said (with **my emphasis**) *'I will contact you to review your financial arrangements once a year'*. So, Ms B ought to have been able to rely on PPA Wealth to drive the contact with her to deliver its ongoing Service.

In its publications the regulator has made clear that PPA Wealth needed to have robust systems in place to ensure the service was delivered. PPA Wealth claim its client portal was its 'robust system' and that it had invited Ms B twice to join it in November 2021. But from the communications I've seen PPA Wealth's invitation to the portal was sent in relation to Ms B's query about another pension – as I'll set out in more detail below. PPA Wealth didn't tell Ms B that without the portal, it wouldn't deliver the ongoing service to her. And so, she wasn't making an informed decision regarding her ongoing service when she failed to respond to PPA Wealth's request for her to join its portal.

PPA Wealth say in a successful relationship two-way communication is needed but the onus here was on PPA Wealth to drive the communication as its agreement said it would. And it needed to communicate in a clear way to Ms B in order to deliver the service she'd paid for.

If it was PPA Wealth's intention to simply be on hand for Ms B should she need it, it had it's *'Here when you need us'* service which wouldn't have come at a cost to Ms B.

PPA Wealth's view that a purely reactive service of being on hand if a client needs them is unlikely to be compatible with the FCA's requirements for an ongoing adviser charge to be payable *for the provision of personal recommendations or related services*. But regardless of that view, a purely reactive service isn't the contractual agreement Ms B had with PPA Wealth. She specifically had an agreement for PPA Wealth to provide annual reviews and valuations that simply weren't offered or delivered to her.

### Consolidation of existing pension

In November 2021 Ms B emailed PPA Wealth regarding an existing pension she held. PPA Wealth responded to say if Ms B wanted it to take a closer look, she needed to sign up to its client portal. I've seen no evidence that Ms B responded or the conversations regarding this plan continued.

I'm satisfied PPA Wealth didn't do anything wrong regarding Ms B's other pension in 2021. If Ms B wished to consolidate it, she was told what she needed to do – sign up for PPA Wealth's client portal to start the advice process. So, I don't think it needs to do anything more.

PPA have suggested that if Ms B's contact in 2021 didn't constitute a review, then it must be chargeable under initial advice. But I've seen no evidence of any advice being agreed or given. PPA Wealth simply responded to Ms B's email to explain the first steps of communication if advice was to be given. The contact never progressed past this initial contact from Ms B, and I can't reasonably say PPA Wealth provided a personal recommendation for which it should be remunerated for under an initial advice charge.

### Change of beneficiary

Part of Ms B's complaint was that she'd asked PPA Wealth to help her change the nominated beneficiary on her plan in 2021. But she later found out in 2023 that it hadn't been changed.

PPA Wealth say it sent the form Ms B provided on to her pension provider. If that's the case, it wouldn't be fair to hold PPA Wealth responsible for the inaction of Ms B's pension provider. I haven't seen evidence that PPA Wealth actually sent the form, but equally there's no reason to doubt its testimony.

Even if Ms B's form wasn't forwarded on by PPA Wealth, it hasn't caused any loss to Ms B as she rectified the issue in 2023. And Ms B didn't contact PPA Wealth in 2023 when she realised the error which I'd expect to see if the error had caused Ms B a level of distress and inconvenience above that expected in day-to-day life. So, I can't fairly say PPA Wealth need do anything regarding the change of beneficiary form.

### Summary

Having reviewed the full circumstances of this case I don't think PPA Wealth acted fairly or in Ms B's interests. I've seen little evidence that it intended to deliver the service Ms B had signed up for. PPA Wealth haven't provided persuasive evidence that a review happened in January 2019. But even if it had, I still think it's fair for the OAC from 2019 to be refunded. I say that because if a review did happen in January 2019 that was outside of Ms B's agreement for an 'annual' review and offered little value to her.

For the reason's I've given I'm satisfied a fair resolution is for PPA Wealth to refund all of the OAC's it accepted from Ms B's pension for the service it simply didn't deliver.

### **Putting things right**

In assessing what would be fair compensation, my aim is to put Ms B as close as possible to the position she would probably now be in if she hadn't paid ongoing advice charges to PPA Wealth. PPA Wealth should repay the ongoing adviser's fees, adjusted for growth had the fees remained in the existing investment funds (the RL governed portfolio 4), from the date the fees were paid to the date of my final decision.

PPA Wealth should pay compensation into Ms B's pension plan, to

- Increase its value by the amount of the compensation and any interest. The payment should allow for the effect of charges and any available tax relief. It shouldn't pay the compensation into the pension plan if it would conflict with any existing protection or allowance.
- If it's unable to pay the compensation into Ms B's pension plan, it should pay that amount direct to her. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore, the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Ms B won't be able to reclaim any of the reduction after compensation is paid.
- The notional allowance should be calculated using Ms B's actual or expected marginal rate of tax at her selected retirement age.
- It's reasonable to assume that Ms B is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Ms B would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.
- Provide the details of the calculation to Ms B in a clear, simple format.
- Pay Ms B £250 for the distress and inconvenience caused by failing to provide her with the service she'd paid for and ought to have expected to receive.

### **My final decision**

My decision is I uphold this complaint. PPA Wealth Ltd must put things right as I've set out above.

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

Timothy Wilkes  
**Ombudsman**