

## The complaint

Mr I considers financial advice provided to him by Philip Harper LLP trading as Financial Management (FMIFA) was unsuitable. He's also unhappy with the way FMIFA dealt with his complaint.

## What happened

I issued a provisional decision on 23 February 2026. I've repeated here what I said about what had happened (which I summarised) and my provisional conclusions.

*'Having been introduced to FMIFA by a friend, Mr I and his wife had a meeting with FMIFA's adviser on 6 May 2025 about retirement planning. A fact find was completed recording details of their financial circumstances and existing pension provision.*

*A suitability report was sent to Mr I on 30 May 2025 recommending that he transfer his two existing pension arrangements to a SIPP (self invested personal pension) with a named provider. An illustration for the new plan was included. Mr I emailed the adviser on 2 June 2025 asking about next steps. The adviser responded on 4 June 2025 saying that would be to prepare the paperwork for Mr I to sign. The adviser said he was still waiting to receive information about Mr I's wife's pensions.*

*On 8 June 2025 Mr I emailed the adviser. Mr I had used AI (Artificial Intelligence) to analyse the suitability report. He said the results echoed his own concerns. Amongst other things, he said there wasn't a detailed comparison of his current plans with the proposed solution. Mr I asked if there'd be further discussions and what steps would be taken for his wife. The adviser responded on 9 June 2025 saying the suitability report was the first step in the financial planning relationship and highlighting what he felt were flaws in the AI analysis.*

*On 10 June 2025 Mr I complained to FMIFA about the advice process and client service. He said the advice hadn't met his expectations: the comparison with his current pension arrangements wasn't detailed enough; no proper analysis of drawdown versus a phased annuity approach was completed; no progress on his wife's retirement had been made; and the recommendation was a product led solution rather than a personalised plan. He wanted a full review of the advice process and if it met FMIFA's standards and the Financial Conduct Authority (FCA) expectations for suitability and client care; a full written response to the concerns he'd raised in his email of 8 June 2025; and an explanation as to why the agreed joint planning process wasn't prioritised or progressed.*

*FMIFA replied on 11 June 2025 thanking Mr I for his feedback but saying it wouldn't be treated as a formal complaint as there was no evidence of financial loss. FMIFA said the adviser had provided appropriate advice which Mr I had chosen not to accept. No advice fees had been or would be levied.*

*In reply, Mr I referred to the glossary definition of complaint in the FCA's Handbook. He said he expected FMIFA to treat the complaint under its formal complaints procedure and provide a formal written response within eight weeks, failing which he'd escalate the matter to this service and report FMIFA's failure to follow proper complaint handling procedure.*

*FMIFA responded to say Mr I could take the complaint to this service.*

*Mr I contacted us. We got in touch with FMIFA and asked if a final response had been issued. FMIFA told us it hadn't recorded the matter as a complaint as Mr I wasn't a client. He hadn't taken up FMIFA's recommendation, there'd been no financial loss and FMIFA hadn't charged for its initial consultations or subsequent recommendations.*

*We initially told Mr I that we couldn't look into his complaint as he wasn't a customer of FMIFA. Mr I disagreed and set out what had happened. We then told FMIFA that Mr I was a potential customer and we asked FMIFA to investigate the complaint and provide a final response.*

*FMIFA wrote to Mr I on 8 July 2025 acknowledging his complaint and saying it would investigate and respond within the next eight weeks. There were some further exchanges. In his email of 29 July 2025 Mr I pointed out that the ten working days update promised in FMIFA's own Complaints Procedure had been missed.*

*Mr I had a meeting with FMIFA on 29 August 2025. FMIFA's email of 3 September 2025 to Mr I referred to the meeting as constructive and having helped FMIFA fully understand the reasons for Mr I's concerns. FMIFA said it believed in the advice it had provided but it would definitely learn from Mr I's feedback and the financial planning team had been briefed on the areas discussed. FMIFA said it hoped it had reassured Mr I that it was a business that would listen to his concerns and develop how clients were served. Details of this service were provided. In response, Mr I said the meeting felt very different from the earlier tone of the process and he'd come away hopeful that FMIFA could turn the matter into something positive. He queried if that was intended as FMIFA's final response.*

*FMIFA asked if it could discuss things further with Mr I. He replied on 5 September 2025 saying he was disappointed in what had been said about believing in the advice provided and which he felt echoed earlier communications which he'd found dismissive. He set out what he considered the next steps should be – an independent investigation and escalation of the complaint to a senior decision maker who hadn't previously been involved and a final response reporting on each of the complaint items and stating if they were upheld, partially upheld or not upheld with reasons.*

*In its reply on 8 September 2025 FMIFA said its email of 3 September 2025 was its concluding response but not the end of its work on the matter which would be taken forward internally. FMIFA offered a further follow up call to make sure the specific actions which had been noted reflected the concerns discussed although FMIFA said Mr I may have felt he'd invested enough time.*

*In his email on 9 September 2025 Mr I maintained the complaint issues he'd raised hadn't been addressed individually and repeated his request for a revised final response. He also expressed concerns about how conflicts had been managed in investigating his complaint and he set out how he considered objectivity in the decision making process could be preserved in small firms. He said his motivation remained helping the wider community but complaint resolution should come first, with learning and service improvements to follow.*

*In reply, FMIFA repeated that it had taken on board Mr I's comments about the advice process and made some amendments to the client journey to reflect the feedback Mr I had given. But FMIFA said it didn't uphold his complaint as it believed it represented an appropriate solution to his retirement planning. Mr I had the option to take his complaint to this service as previously mentioned.*

*Mr I reverted to us. During our investigation he made a number of further submissions. Our investigator considered everything that had been said but he didn't uphold the complaint. In his view issued on 27 November 2025, the investigator said there wasn't really anything to be done in terms of putting Mr I back in the position he'd have been in, but for FMIFA's advice, as he hadn't acted on it or been charged for it and so he hadn't suffered any financial loss. The investigator didn't think a payment for distress and inconvenience should be made.*

*Mr I didn't accept the investigator's view and asked for the complaint to be referred to an ombudsman.*

*Mr I has made a very large number of complaint points in his communications with FMIFA and on his complaint form and in several summaries and submissions he's submitted in support of his complaint (including his 'Summary of Ethical and Regulatory Gaps observed in Complaint Handling by FMIFA'; 'Reflections on Advice Process'; 'FMIFA Proposal Observations'; 'Escalation to Ombudsman'; and 'Final Submission to the Ombudsman'). I've read and considered everything Mr I has said but I'm not going to set out here all the detailed points he's made (and particularly bearing in mind what I've said below about our approach to complaints). But, in broad terms, Mr I's complaint falls into two main categories: first, the advice process and, secondly, how his concerns were dealt with.*

*About the former, Mr I is concerned about the suitability of the advice provided by FMIFA. He says FMIFA failed to meet expected standards of independent advice; provided a product led recommendation without a suitable analysis of Mr I's existing pension arrangements and the relative benefits versus the new proposed arrangements; failed to explore other options and glidepath income strategy; acted prematurely by saying on 4 June 2025 that the next step was to complete the paperwork, and failed to conduct the agreed joint planning process for Mr I and his wife.*

*As to how his concerns were handled, Mr I says, until we intervened, FMIFA was dismissive, suggesting a cavalier approach to its regulatory obligations regarding complaint handling and suitability of advice and refused to treat his concerns as a complaint. FMIFA told Mr I to refer his complaint to us without providing and final response. When FMIFA did treat the complaint as such, FMIFA then didn't address the substantive suitability issues; didn't comply with its own Complaints Procedure; failed to confirm a final response had been issued; didn't issue a compliant final response; and failed to recognise conflicts of interest and the need to escalate.*

### ***What I've provisionally 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'm issuing a provisional decision as my findings aren't exactly the same as the investigator's. But I've reached the same conclusion – that FMIFA doesn't need to do anything more.*

*I don't expect Mr I to agree with what I've said. I can see he feels very strongly about what's happened and that FMIFA didn't act as it should've done. I've found some areas where there were shortcomings on FMIFA's part although, to a large extent, I think FMIFA recognised that once it actually looked into Mr I's complaints. I've also considered if FMIFA should pay compensation to Mr I but, for the reasons I've explained, I'm not making any award.*

*Mr I has set out his concerns in detail. FMIFA has commented on Mr I's use of AI. Mr I has been very open about that and we recognise that some people find it helpful to use AI to help draft documents. I've read and considered everything Mr I (and FMIFA) has said.*

*However, we're an informal dispute resolution service. My role isn't to answer (or get FMIFA to answer) every point that's been raised. Instead I've concentrated on what I see as the main issues. If I don't mention something it's not because I've overlooked it, just that I don't consider it key.*

*In reaching my findings I've taken into account, relevant law and regulations, regulator's rules (including DISP (Dispute Resolution), COBS (Conduct of Business Sourcebook), the Principles for Businesses (PRIN) and the Consumer Duty), guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. Initially there was some issue about if Mr I was a customer. Customer (and potential customer) aren't defined in the DISP rules. However, Mr I had approached FMIFA for advice. He'd gone through an advice process and FMIFA had made a personal recommendation. He was FMIFA's customer, even if he didn't sign a client agreement or pay any fee.*

*Like the investigator, my starting point is to consider whether a business has done anything wrong and, if so, what, if anything, the business needs to do to put things right. I've looked first at the advice process. Mr I wants suitability to be considered. But he didn't accept the recommendations made and no charge was made by FMIFA, so there's no suggestion that any unsuitable advice has caused him financial loss. In that sort of situation, we won't usually consider suitability.*

*That said, I can understand why Mr I didn't accept the recommendation and why he considered the suitability report was lacking. For example, it said his attitude to investment risk (ATR) hadn't been assessed and had been assumed to be medium or balanced. I'd have expected Mr I's ATR to have been ascertained before any recommendation was made. Particularly as the first reason given for recommending the transfer was that Mr I wanted his pension plan to be aligned to his ATR. The funds he was already invested in or others offered by his existing providers may have been suitable for him and cheaper than an investment manager solution. Further, I haven't seen that the costs of the new SIPP and how they compared to Mr I's existing arrangements were fully explained. But I may not have seen everything and, as I've said, I'm not looking at suitability.*

*Mr I also says FMIFA acted prematurely by saying the next steps were for the paperwork to be completed when Mr I's position was that the suitability analysis was inadequate. However, at that stage, I think FMIFA was just indicating, in general terms, what would happen on the basis that Mr I accepted the recommendations and wanted to go ahead. FMIFA would've been aware that there are often further discussions before a decision to proceed is made.*

*Mr I is also concerned about a lack of progress in respect of his wife's retirement planning. They'd approached FMIFA for advice about their joint position and were seeking a holistic solution. Although FMIFA explained that information about Mrs I's existing pension arrangements was still awaited, it might've been preferable for FMIFA to have waited until it was in a position to provide advice to both Mr I and his wife so that they could be satisfied that the recommendations addressed their joint objectives and position.*

*Turning to how Mr I's concerns were handled, the investigator said we can't consider purely complaint handling issues. Our jurisdiction relates to financial services and complaints handling isn't a complaint about the provision of, or failure to provide, a financial service. But a complaint about how the complaint has been handled may be a continuation of an unresolved issue about the original financial service. I think that's the case here so I've considered how FMIFA dealt with Mr I's concerns.*

*FMIFA initially told Mr I that it wouldn't be treating his complaint as such. Mr I says FMIFA was dismissive but I think FMIFA's stance reflected its understanding that Mr I wasn't a client*

*and so not an eligible complainant. Mr I has also referred to the glossary definition of complaint. He'd made clear expressions of dissatisfaction and I agree FMIFA should've treated what he'd said as a complaint. We didn't help matters as we initially agreed with FMIFA that Mr I wasn't a customer and so not an eligible complainant. But after we'd clarified that, FMIFA did acknowledge Mr I's complaint and went on to deal with it.*

*As Mr I has pointed out, and as FMIFA accepted, the update after ten working days promised in FMIFA's own Complaints Procedure was overlooked. Mr I also says there should've been a summary resolution communication within three days. But that only applies where the complaint can be resolved in three days which wasn't the case here. FMIFA was required to investigate and send a final response.*

*Mr I says FMIFA's final response didn't comply with DISP 1.6.2R which sets out what should be included. But it's sometimes the case that a firm's final response won't be as detailed as might've been expected and gives more of an overall outcome, rather than dealing with each and every complaint point separately.*

*Mr I also says that FMIFA failed to confirm that a final response had been issued – Mr I points here to the exchanges in September 2025 as multiple attempts to get a final response confirmed. However, I don't see that the same way. I think it was more a reflection of FMIFA's attempts to engage with Mr I and to try, legitimately in my view, to resolve things to his satisfaction and without the need for him to pursue a complaint to this service.*

*Under DISP 1.4.1R (1), once a complaint has been received, the firm must investigate it competently, diligently and impartially. In so far as the latter is concerned, Mr I considers there were conflicts of interest which FMIFA failed to identify or manage properly. In a smaller firm there may well be some duplication of roles. It won't necessarily be practical or reasonable to expect a firm to engage an independent consultant to look into and respond to a complaint. And how a firm chooses to deal with a complaint and which personnel it uses won't be the same in every case. Here Mr I's initial concerns about the adviser were looked into by FMIFA's managing partner. When it became apparent that Mr I was unhappy with how he'd dealt with things, another person at FMIFA took matters forward. I think that's fair enough. I'd add that we deal with complaints about regulated firms rather than individuals although obviously how a firm has acted will depend on what its advisers and other staff have done and/or conducted themselves.*

*From what I've seen, FMIFA made considerable efforts to engage with Mr I. FMIFA recognised his concerns about his customer experience and used it as a learning opportunity. It seems Mr I recognised FMIFA's efforts were genuine and marked a departure from how FMIFA had initially reacted to his concerns. And Mr I was happy to invest further time in the matter by exploring with FMIFA how he felt things should've been handled. However, ultimately Mr I referred the matter to his service because FMIFA maintained that the recommendation had been suitable.*

*I recognise that Mr I's decision to take things further wasn't made lightly. I understand he felt it was his duty to do so – otherwise FMIFA wouldn't have learned from what had happened in his case and so what Mr I terms community validation remained untested and others weren't protected. But from what I've seen, by the time Mr I referred the matter to us, FMIFA had already learned lessons and demonstrated a willingness to make improvements to its processes and procedures generally based on Mr I's experience and the feedback he'd shared. We deal with individual complaints. We hope that a business will learn from any complaints and take any necessary steps to improve its processes generally. But we can't direct a business to do so – we can only ask the business to take steps in relation to the particular complaint. I think that what FMIFA did, of its own volition, was probably more valuable and far reaching than what we might've ordered FMIFA to do.*

*I've considered if FMIFA needs to do anything further. Mr I acknowledges he hasn't suffered any financial loss as he didn't proceed with the recommendation, nor did FMIFA charge him anything. But he's said he did suffer material distress and inconvenience (including loss of trust in the advice process and loss of confidence in a firm that had been personally recommended to him, time and effort in raising and pursuing the matter and disruption to his retirement planning process). I've considered very carefully whether to make an award for distress and inconvenience. I've noted the case studies to which Mr I has referred. But, on balance, I've decided against making an award.*

*I accept that Mr I has suffered inconvenience. But not everything in life always goes entirely to plan. We all experience some disruptions and inconvenience in our day to day lives. So, even where something has gone wrong, we won't always award compensation. Here Mr I decided very quickly that he didn't want to take FMIFA's advice – the suitability report was issued on 30 May 2025 and within a week or so Mr I had analysed it (with the help of AI) and reverted to FMIFA with his criticisms. So any inconvenience Mr I had suffered was minimal. At that point it was open to Mr I to simply say he'd decided not to proceed further with FMIFA. He wouldn't have been charged for the work FMIFA had done and he wouldn't have needed to have spent any more time on the matter. I know he and his wife spent time with FMIFA before the suitability report was issued but, going forwards, Mr I probably would've known a little bit more about the procedure, what his options might be and what he'd be looking for in connection with any recommendation. So, to some extent at least, his experience with FMIFA and the time he'd spent and the research he'd undertaken wouldn't have been completely wasted.*

*Further, Mr I has made it very clear that the driver for his complaint wasn't to resolve his own concerns but to ensure that we and the FCA were made aware in the event that similar issues arose with other clients. I recognise that Mr I did give up some of his time to work with FMIFA to try to resolve his issues and address the wider implications and which might impact other customers. But, as I've explained above, I think Mr I's objectives were largely met by FMIFA itself and in a way which probably went further than any steps we might direct FMIFA to take. Further, we don't, as a matter of routine, liaise with the FCA about complaints we see. If Mr I considers the FCA should be made aware of what's happened, he'll need to refer his concerns to the FCA direct.*

*To sum up, I've found some shortcomings on FMIFA's part. But, for the reasons I've explained, I don't think FMIFA needs to do anything more.'*

FMIFA didn't comment further. Mr I did. He confirmed he wasn't seeking compensation. His response was confined to one point about FMIFA's recommendation. It said his ATR had yet to be assessed and had been assumed to be medium. It went on to recommend a transfer to a SIPP and a specific allocation (50%) in each of two named funds. I'd noted in my provisional decision that I'd have expected Mr I's ATR to have been assessed before any recommendation was made. Mr I suggested my final decision should clearly reflect that FMIFA's recommendation preceded a completed assessment of his ATR.

### **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.

It is the case that FMIFA's recommendation preceded a completed assessment of Mr I's ATR. FMIFA's suitability report dated 30 May 2025 expressly records that. It says the recommended fund selection was based on an assumption (I'm not sure if that was informed by the funds held in Mr I's existing arrangements) that Mr I was a medium risk investor.

When an ATR assessment was undertaken, if it turned out that Mr I's ATR wasn't medium, the fund selection could've been revised accordingly. However, it's generally not possible to make a firm recommendation as to funds without first ascertaining the consumer's ATR. ATR may also be a factor in product suitability. Further, the suitability of the underlying investments will form part and parcel of the overall recommendation. Hence, and as I said in my provisional decision, I'd have expected Mr I's ATR to have been assessed before any recommendation was made.

In the absence of any further comments, my views remain as set out in my provisional decision. I've repeated what I said in my provisional decision above and it forms part of this decision.

### **My final decision**

I'm not upholding the complaint and I'm not making any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 9 April 2026.

Lesley Stead  
**Ombudsman**