

The complaint

Mrs P complains, with the help of a professional third party, about the advice and service she has received from Strategic Financial Solutions Limited ('SFSL'). Mrs P believes the advice she received to take out several investment products over a number of years was potentially unsuitable for her. And she also believes that SFSL has failed to provide the ongoing service she has paid for.

SFSL was Mrs P's financial adviser for a period of approximately 17 years and provided advice on new investment products on several occasions – most of which I understand Mrs P's representatives believe to have been unsuitable. I've been provided a significant amount of information relating to the relationship and events, as well as detailed opinions from both SFSL and Mrs P's representatives in respect of what has happened. I'd like to reassure all the parties that I've carefully considered all of the arguments made and the evidence provided. But I've only summarised the events that took place. If I don't comment on or refer to everything that has been said this isn't meant as a discourtesy or because I haven't thought about it. Rather it is because my decision addresses what I think are the key points in deciding the complaint, bearing in mind our role as an informal dispute resolution service and my remit of deciding what a fair and reasonable outcome is.

What happened

Mrs P first met with SFSL in December 2005, having been introduced by a friend. Following that initial meeting SFSL recommended that Mrs P invest £175,000 into an investment bond provided by Sterling (which I'll refer to as 'SIB1'). The application form for the bond confirmed that SFSL would be paid through full initial commission with no trail commission going forward. The form also noted, and SFSL confirmed in its recommendation, that SFSL had agreed to give up 2% commission, so the charge for the advice would only be 1%.

SFSL wrote to Mrs P again in February 2007. This letter confirmed SFSL had received a statement for Mrs P's personal pension. The letter discussed potentially moving this to a different provider to provide access to different investment options, noting there should be no additional charge for such a move. The letter also referred to SFSL awaiting information about an ISA Mrs P held.

In February 2008, the funds held in SIB1 were switched from investments to cash.

SFSL wrote to Mrs P again on 14 August 2008. The letter said it was in follow up to their correspondence in relation to "*one-year fixed rates*" and potentially investing £562,000. SFSL set out information about how offshore bonds were taxed in comparison to standard savings and offered to discuss this further with Mrs P. The letter went on to say an offshore bond could be encashed in 12 months without any product charges making it extremely flexible and set out what information was needed if Mrs P wished to proceed.

Mrs P agreed to proceed and opened an offshore bond with Aegon ('AOB1'). I've seen a copy of a letter that she signed instructing a previous product adviser, based in the Channel Islands, to pay the proceeds of a maturing term deposit to Aegon but confirming that she wished to keep her current account with the provider open to facilitate future banking with

them.

In June 2009, SFSL provided Mrs P a form to sign to instruct Aegon not to automatically reinvest the funds held in AOB1 when it matured. And in September 2009, SFSL recommended that Mrs P invest £400,000 into another investment bond with Sterling ('SIB2'). It said that it thought this best met Mrs P's objectives at that time and was competitively priced because SFSL would rebate 3% of the commission it was to be paid to the bond, effectively cancelling out the initial product charge. Mrs P signed SFSL's updated terms of business and key facts about costs and services document at the time.

The bond provider sent Mrs P a letter on 27 October 2009 confirming it had recorded that she had given SFSL permission to act on her behalf.

I understand the last of the funds held in SIB1 were withdrawn in February 2010. Also, in February 2010, SFSL recommended that Mrs P invest £90,000 into another investment bond with Sterling ('SIB3'). It said the funds to be used were additional monies Mrs P had wanted to invest, and she was happy to do so for 5 years, in a similar fashion to another previous bond that had recently completed. The recommendation referred to this other bond having been held with 'Zurich', of which Sterling was a trading name. So, while it is not made entirely clear, it appears this was the funds withdrawn from SIB1. The recommendation said SFSL had again ensured, by commission rebate, that there were no initial charges and referred Mrs P to the illustration for details of remuneration it would receive.

The application form and illustration in respect of the SIB3 confirmed that an adviser fee of 0.5% per annum had been agreed between the parties, in addition to initial commission. And Mrs P signed a separate declaration as part of the application, agreeing to that fee.

In June 2013, SFSL recommended that Mrs P invest £414,000 (being the proceeds of SIB2 which appears to have been redeemed at the same time) into a new investment bond with Skandia ('SKB1'). It said this recommendation was following numerous meetings over the previous few months and Skandia had been recommended because of it offering a competitive contract.

I note that in May 2013, Mrs P had signed a service agreement with SFSL, saying she wanted to receive its 'bespoke' financial planning service (one of three options). This level of service was noted as involving an annual face to face review meeting and half yearly investment updates being provided. And documents from the provider in respect of SKB1 confirmed a servicing fee of 0.5% per year was to be paid to SFSL.

In October 2013, SFSL provided Mrs P a form to enable it to move an ISA that she held with Sterling to Skandia. And SFSL confirmed in November 2013 that the reasons for recommending this switch were that it would be in keeping with Mrs P's attitude to risk, would simplify her financial arrangements by having the investments held with one provider and there were no charges from the new provider to enact the transfer. The recommendation did note SFSL would be paid a 2% transfer fee and would receive a servicing fee of 0.5% per annum moving forward.

There was a further letter in March 2017 about Mrs P making top up payments to her ISAs she held (with different providers to the one discussed in November 2013) to utilise her annual allowance. SFSL said it agreed with this, would not charge an initial fee but Mrs P had agreed to pay 0.5% per annum moving forward so that it could provide ongoing advice.

We've been provided a file note referring to a conversation between Mrs P and SFSL in March 2020. It said Mrs P had been concerned by recent falls in the equity markets so it had been agreed that 90% of her funds (primarily in SKB1) would be transferred from equity

investments to cash.

SFSL wrote to Mrs P again in April 2021, summarising some agreed changes to the SKB1 investments – moving a portion from cash funds back into a mix of investments. The letter also mentioned Mrs P potentially transferring a pension she held (which was previously discussed and moved in 2007) to Old Mutual (previously Skandia) mentioning that the investment options available under the existing scheme were “extremely limited”. SFSL has however said that this suggestion never proceeded and no transfer took place.

SFSL wrote to Mrs P in December 2021 to arrange a review meeting. This appears to have been conducted in May 2022, with Mrs P emailing the adviser on 4 May 2022 thanking them for the meeting and clear explanations of her policies.

I understand that later in 2022, Mrs P began receiving advice from a different advising firm and ended her business relationship with SFSL.

Mrs P’s representatives complained to SFSL on her behalf on 22 August 2024. The representative gave a detailed account of the complaint and the errors they believed SFSL had made. In summary they believe that SFSL:

- Didn’t properly understand or record Mrs P’s circumstances and incorrectly categorised her attitude to risk at several points
- As a result gave unsuitable advice, in particular recommending investments with unsuitable levels of risk
- Didn’t provide Mrs P the ongoing service that it agreed, including not managing her investments or making changes promptly enough in reaction to market events
- Recommended switches of provider for its own benefit rather than Mrs P’s
- Didn’t give her appropriate advice on her wider objectives, for example not recommending she consider accelerating her plans to buy a property when the market was in her favour

SFSL rejected the complaint. In short it said it had understood Mrs P’s circumstances and objectives, as it had built a strong working relationship and met regularly with her. So, it said its recommendations were suitable for her and the regular meetings that took place, which Mrs P had always indicated she appreciated, showed that it had provided the appropriate ongoing service.

The complaint was referred to our service to consider.

SFSL said that it believed part of Mrs P’s complaint had been raised too late for us to consider. I issued a decision in February 2026, addressing our jurisdiction to consider the complaint. I found that we could consider all of the complaint points that Mrs P had asked us to - the various instances of financial advice from SFSL and their suitability as well as whether ongoing services were provided as they ought to have been throughout the working relationship between the parties.

Turning to the merits of the complaint, one of our Investigator’s previously gave their opinion on this and recommended that the complaint should be upheld in part. In summary they thought:

- The investments recommended for SIB1 were unsuitable based on Mrs P’s circumstances.
- Moving funds to a different provider in 2013 was not in Mrs P’s best interests so was unsuitable.
- The evidence didn’t support that the level of required service / annual reviews was

provided each year it should have been. So, the fees charged for the ongoing advice service for those years should be refunded.

SFSL did not accept the Investigator's opinion.

Mrs P's representatives provided a lengthy response to the opinion. In summary it said Mrs P had been vulnerable and SFSL was aware of this and was appointed to manage her money for her. It added that statements made by SFSL in email correspondence to Mrs P during the relationship created responsibilities beyond just annual reviews – including monitoring money markets and making appropriate changes in her interests. The representative said SFSL had failed to do this, fund switches that had been made were in their view (apparently informed by Mrs P's new advisers opinion) "for the sake of appearances" and they felt the recommendations made by SFSL were all unsuitable, not in line with Mrs P's attitude to risk and only for its own benefit.

As agreement could not be reached, I will now decide the merits of Mrs P's complaint.

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 Financial Conduct Authority's ('FCA') 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.

It is worth just noting that the relevant regulatory rules and standards have changed overtime. So, when considering SFSL's actions, it is the rules in place at the relevant times that I've considered. This is because it would be unfair to apply updated and strengthened rules and regulations retrospectively to actions that occurred before those rules came into effect.

Mrs P's complaint is that various recommendations made by SFSL were unsuitable and that it failed to provide the agreed ongoing services. For clarity the advice from SFSL which is in dispute is that given in:

- 2005 to take out SIB1
- 2008 to take out AOB1
- 2009 to take out SIB2
- 2010 to take out SIB3
- 2013 to take out SKB1
- 2013 to change ISA provider

For ease of reading, I'll explain my findings in respect of the individual pieces of advice and the ongoing services separately.

2005 recommendation of SIB1

I've seen a copy of a fact-find and notes taken by SFSL, prior to advising Mrs P, in which it recorded information about her circumstances and objectives. One of the first things that

SFSL noted that Mrs P had been in a serious accident abroad and had been rehabilitating for approximately a year and had only recently returned to the country. Mrs P was 35, was staying with friends (and was of no fixed abode) and wasn't working at the time of the discussion. SFSL recorded that she was receiving income, which stemmed from compensation arising from the accident she was involved in. It recorded that this income exceeded her expenditure, which was noted as £1,000 per month. Mrs P had approximately £205,000 held on deposit, from the sale of her previous property, as well as holding a personal pension and two other investments (although the value of these was not recorded). It was also noted that she expected to receive a further lump sum in compensation relating to the accident she'd suffered.

SFSL recorded that Mrs P wanted to invest £175,000 of the money held on deposit with the aim of increasing her capital. It said that she was comfortable investing for several years, with a term of 5-10 years noted, with the only other potential use for the funds being to purchase a property. It also said that Mrs P had an above average risk profile and understood that investment values could fluctuate.

Mrs P's representatives have made a number of comments about the information recorded – largely that it was inaccurate. It has argued that Mrs P's attitude to risk was lower than recorded and she had little capacity for loss – saying the money was potentially going to be used to purchase a property and whether or not Mrs P would receive additional lump sum compensation was unknown, and so it questioned the accuracy of the figure recorded for this. It has also said that the effects of the accident on Mrs P's health (both mental and physical) were severe, this would have impacted her decision making and SFSL didn't appropriately account for this.

I've taken on board what the representative has said. But I would first note that its comments about Mrs P's circumstances were made almost 20 years removed from the first discussion between the parties. So, while I've not disregarded them, I've ascribed greater weight to the evidence from the time.

Based on the information, I do think that SFSL was aware of the circumstances of Mrs P's accident, as she shared this information with it. The representative has suggested SFSL should have treated Mrs P differently because of this. But there is no evidence of a deputy or equivalent having been officially appointed to handle Mrs P's affairs, or anything since the advice that indicates that ought to have happened. And so, I can't see that SFSL should have reasonably questioned the information Mrs P was providing or her understanding of matters. And I don't have any reason to doubt that the information recorded reflected the discussions that took place at the time. I also think SFSL was entitled to rely on what was discussed at the time, to inform its advice.

That being said, I do think there are some elements of the fact-finding exercise which are light on detail. Firstly, the figure that SFSL recorded for Mrs P's expenditure was simply noted as £1,000 per month. Despite the document pro-forma giving the opportunity to break this down, this wasn't done. And it isn't clear why – as I think this was important information. I also note that the fact-find recorded Mrs P was making contributions to her pension of £500 per month. Presumably that was included in the £1,000 figure. So, SFSL was essentially saying Mrs P was only spending £500 per month. It did record that Mrs P was frugal with her money. And she wasn't paying a mortgage or rent and was living with friends. But even with that accounted for, the overall expenditure figure appears low. And the lack of detail recorded doesn't help with this.

But while I think additional information ought to have been recorded in this part of the fact-find, the key overall conclusion made was that Mrs P's income was sufficient to meet her needs. And I haven't seen anything, including in the bank statements that her representative

has provided, to dispute this conclusion as being reasonable.

The other main area of the information recorded which, in my view, would have benefitted from greater detail was Mrs P's attitude to risk ('ATR'). The section in the fact-find about ATR was effectively a tick box, giving the option to choose between cautious, average and adventurous in respect of short, medium and long term. For Mrs P 'average', for all three durations, was marked with a '+'. But there is no information about what questions were asked or discussed to reach these conclusions.

In the separate notes SFSL said Mrs P had an 'above average' risk profile – which presumably is what the '+' referred to – and had "*a full understanding of the falls and rises in equities*". But there is again little detail of how that conclusion was reached. Again though, I think the information recorded by SFSL likely reflects the information Mrs P provided about herself.

However, even though Mrs P may have indicated she was willing to take a certain degree of risk, that didn't necessarily mean it was in her interests to do so. And I do think that the available information supports that she had limited capacity for loss.

SFSL recorded that Mrs P had £205,000 in savings accounts. It did record that she also had an ISA and 'wealth builder' account. But there were no balances noted for either of these accounts. No other assets were recorded in the fact find – and it seems to have been understood Mrs P didn't own a property. So, according to the information SFSL recorded, the amount in savings formed most of Mrs P's assets.

There was also a future objective (or need) recorded of Mrs P purchasing a new property, now she had returned to the UK. There was a suggestion that Mrs P expected to make a recovery from the accident (although her representative now disputes this was the expectation at the time) and would then travel for work again. But there was no expected timescale noted around this. And purchasing a property was clearly recorded as something Mrs P may look to do. Again, there doesn't appear to have been a discussion around when Mrs P intended to do this. But, based on her living situation at the time – no fixed abode / living with friends – I don't think it was unreasonable to think this may have been a short, or at best medium, term objective. And the sum of £205,000, of which SFSL recommended that she invest 85%, was the only sum she had to do this.

It was noted that Mrs P may receive a potential lump sum in compensation in the future. But there is no indication that an expected timeframe for this was known and there was a very broad estimate of what this might be. So, I don't think, based on the limited information, that this could be reasonably relied on at the time to address her objective of buying a property. And I think it's fair to say at the time that the sum in cash savings was the main asset from which Mrs P would need to meet her objectives. So, I'm not persuaded placing the majority of this money into an investment bond was in Mrs P's interests at the time, as opposed to an instant access account.

It is true that both the suitability report and the bond information indicate that there were no exit penalties for leaving the bond. At the same time though the illustration made the point that, if the bond were cashed in early, Mrs P could receive back less than she invested. In addition, SFSL recommended that Mrs P invest approximately 60% of the bond into property related investments. And these types of investments, specifically their liquidity, can mean cashing them in is not always a prompt process.

SFSL says Mrs P told it that she wanted to maximise growth. And its recommendation letter said that building society accounts were discounted due to low interest rates and because Mrs P's risk profile was well above that of a building society account. But the illustration for

the bond, provided by Sterling, quoted low, medium and high growth rate figures of 4%, 6% and 8% respectively. The illustration based most of the projections on the assumption of achieving the mid-rate of 6%, but explained that after accounting for costs and charges, this would equate to returns of 4.1% per annum. It isn't clear which building society rates SFSL specifically considered and discounted, but I think it's notable that the Bank of England base rate at the time was 4.5%.

Taking everything into account, in the circumstances I don't think the recommendation to take out SIB1 was in Mrs P's best interest at the time. And, although I think on balance SFSL's notes that Mrs P was prepared to accept risk when investing these funds reflected what she'd suggested, had it explained to her that, at that time, investing likely wasn't in her best interests, I think she'd have accepted that, given she had specifically approached SFSL for guidance and advice.

2008 recommendation of AOB1

An updated fact-find for the advice in 2008 isn't available. But it's clear from the information available that Mrs P's circumstances were different. At that time she still held SIB1, which had been valued at approximately £160,000 several months earlier. I understand she also still held her ISA and pension and some funds in cash. And she now had a further £562,637.65 which SFSL was advising her on. Mrs P's representative has said that this money came from the compensation payment she received in relation to her accident.

There also isn't a great deal of information about Mrs P's objectives at that time. But the recommendation letter refers to recent correspondence about one-year fixed rates. And the account that these funds were held in, before the advice, was described in a letter from Mrs P to the provider, which incidentally was based offshore in the Channel Islands, as a term deposit account. So, the money already seems to have been held in a fixed term account, offshore – indicating Mrs P had experience of this type of arrangement. And therefore, on balance, I think it's likely that Mrs P was interested in a similar arrangement.

SFSL recommended the offshore bond, which could be encashed twelve months later, because the beneficial tax treatment would result in a saving of several thousand pounds after the one year in comparison to a similar domestic product. I think it's reasonable that Mrs P would have wanted to maximise returns if investing for a fixed term. And the recommended product appears to have achieved this. I don't think recommending a product with a specific short term was unreasonable because, even if Mrs P did have other objectives that she might want to achieve in the 12 months following the advice, she had other means (the other investments she held) by which to achieve these. So, based on the albeit limited information from the time, on balance I think this recommendation by SFSL appears to have been suitable.

2009 recommendation of SIB2

SFSL has provided an updated fact-find completed with Mrs P prior to it providing advice in 2009. The main changes to her circumstances since 2005 which this encapsulated were that Mrs P was now listed as self-employed (although her income details were unchanged), the value of her assets was significantly greater, and her attitude to risk for short and medium terms was recorded as 'medium' whereas for longer term investments she was considered as 'medium / adventurous'. In terms of her assets an investment bond was noted with a value of £85,000 (which I understand to be what remained invested in SIB1), Mrs P's ISA was recorded, this time with a value of £25,000 ascribed, and Mrs P was recorded as having £910,000 in deposit / savings (which included the proceeds of AOB1 which had recently been encashed).

SFSL's recommendation letter gave a summary of Mrs P's objectives, saying that approximately £400,000 - £500,000 of her money on deposit was to be set aside for a property purchase. With the remainder to be invested, for the longer term, to achieve steady growth, in a product that would allow Mrs P to draw an income from this money in the future.

I do note that some of the fact find remained unchanged. In particular Mrs P's income and outgoings was said to still be the same as when the previous fact-find was completed. And there was again no real further detail that informed the conclusion about Mrs P's attitude to risk. But, while I know her representative doesn't agree, I think the information recorded likely reflects what was discussed at the time. And I think it is fair that SFSL relied on that information, when providing advice.

The recommendation explained SFSL thought the investment bond was suitable because it would enable Mrs P to draw an income of 5% of the initial investment value as tax deferred income when she needed it, gains were taxed at source with no additional liabilities and fund switches could be made within the bond without incurring additional charges or a tax liability, enabling it to be adjusted to reflect the changing wider market. SFSL also explained that it would rebate a portion of the commission it was received to Mrs P, effectively cancelling out entry charges. And there were no exit charges for leaving the bond. SFSL said it thought targeting returns of 5% per year was appropriate and recommended a set of investments which, while generally more cautious, it felt were in demand and gave good growth potential based on the economic circumstances at the time.

There was a follow up letter to this initial recommendation, noting Mrs P had asked that SFSL recommend alternatives to some of the suggested investments – with additional risk – as her attitude to risk was more balanced than cautious.

Mrs P's representative has said that the information gathered was again incomplete and potentially incorrect, the investments that SFSL recommended didn't maximise growth, were not revisited during the term of the investment and that, as a result, Mrs P would have been better off had she invested differently. So, they consider the recommendation to take out the bond was unsuitable.

As I've already noted, I agree that I think some of the information gathered was incomplete – much as in 2005. But, at the same time, I'm satisfied on balance that what SFSL recorded about Mrs P's circumstances and objectives likely reflects what it was told at the time.

I think the bond was suitable based on what was recorded at the time. It enabled Mrs P to invest to achieve growth while at the same time giving her the flexibility to withdraw with no exit penalties should she have needed to do so. There was also the facility to draw an income, should Mrs P require. And I think the opportunity to change investments without incurring further fees was another useful feature.

Turning to the recommended investments, I also think these were suitable. As I've said, it was noted that Mrs P had a medium attitude to risk (leaning towards adventurous for longer term investments). And the recommended investments were more on the cautious side of medium. But, with the remainder of her funds on deposit at the time earmarked to purchase a property, the amount invested in the bond would've made up the majority of her savings after that property was purchased. This, and the fact that Mrs P apparently expected to need to draw some income from this amount in the coming years meant, in my view, her capacity for losses was reduced. I also note that, when the economic turmoil of 2008 occurred, Mrs P agreed to move the majority of the funds she held in SIB1 at the time, to low risk investments. I think this was a reasonable reaction to the events that took place, but indicates that her attitude to risk (and in particular loss) may have been somewhat more cautious. The effects of the economic events in 2008 were still being felt at the time of the

advice to take SIB2 and I think recommending a more cautious approach, but at the same time aiming to capitalise on an area of the market that was experiencing good growth, was a suitable recommendation. And I think the reasons for adopting this approach were clearly explained in the recommendation letter. The information indicates Mrs P wanted and requested to take slightly more risk, and at her request SFSL recommended appropriate investments to do so.

Taking all of this into account, I think the recommendation SFSL made to take out SIB2 was suitable.

2010 recommendation of SIB3

This recommendation was given less than six months after SIB2. It doesn't appear that an updated fact find was completed, but I don't think that is unreasonable here, given these had been reviewed shortly prior.

The funds to be invested were, I understand, primarily the remaining balance of SIB1 (£90,000). SFSL recommended that these be invested in a similar, but separate, bond to SIB2, rather than added to SIB2. The reason for this being that Mrs P had requested that these funds be invested on a 'very adventurous' risk basis – so a higher risk basis than SIB2.

Mrs P's representatives, conversely to SIB2 where they suggested the level of risk was too low, have argued that investing on a higher risk basis here was unsuitable. But I don't agree.

The funds invested in SIB3 made up a much smaller part of Mrs P's overall assets (even after the earmarked savings were used to purchase a property). And while investing SIB3 on a very adventurous basis would appear to have been different to Mrs P's ATR, when looking at the investment portfolio as a whole and the diversification of how the different bonds were invested, this appears to have been suitable based on her stated ATR.

There was also no suggestion that Mrs P needed or intended to draw an income from these funds, as opposed to SIB2, in the foreseeable future. And so, I think it was a reasonable conclusion, which she appears to have endorsed, that she could take greater risk with these funds, in the hope of achieving greater returns.

SFSL also explained in its recommendation that the similar structure to SIB2 meant there were no penalties for surrendering the investment and Mrs P had the flexibility to review and alter the investments, without incurring charges.

Taking all of this into account, I again think the recommendation SFSL made in 2010 was suitable, based on Mrs P's circumstances.

June 2013 advice to take out SKB1

I've seen a copy of an updated fact-find and risk profile questionnaire completed on 21 May 2013, which was signed by Mrs P. This confirmed that Mrs P now owned a property, she held roughly £500,000 in investment bonds, another £60,000 in shares and an ISA and had approximately £43,000 in savings. Mrs P was still noted as being self-employed but the details of her income from this were not recorded. Instead, her income was said to be coming from drawdowns and rental income. Her outgoings were listed as totalling £800 per month, but no further breakdown was provided. Her ATR was established, based on the questionnaire, as being 'medium'.

SFSL recorded that Mrs P had "*cashd in some investments to set up one large bond to*

generate income in the coming months. She asked for a low cost flexible bond, similar to the ones she had owned". It also said that Mrs P "understands risk and needs to generate at least 5% pa to supplement her income."

SFSL's letter to Mrs P on 27 June 2013 said, following their numerous meetings over the previous months, it confirmed the application had been made for SKB1. It said that this bond was no different to other bonds Mrs P had held over the years and it was recommended because the provider offered a highly competitive investment contract and the recommended investments were "*very much balanced*" in terms of risk.

The information in the fact find makes it sound like Mrs P had already encashed investments in order to take out a new bond. But the money invested in SKB1 seems to have primarily been derived from the remaining funds in SIB2. And a letter from the provider confirming SIB2 had been surrendered (with £414,248.75 paid to Mrs P) wasn't issued until 12 June 2013 – after the fact find was completed. Based on this, I think the only fair assumption is that SFSL suggested SIB2 be surrendered and the funds effectively transferred to the new bond, with the new provider. But I can't see that Mrs P needed to do this to achieve her objectives.

When Mrs P took out SIB2, SFSL said that she could take withdrawals of up to 5% of the original balance per year. The fact find indicated that this was the same level of income that she expected to take from the new bond. It also said that Mrs P could switch investments within SIB2 without incurring any costs. So, I can't see that she would have needed to move to a new provider to alter the risk profile of her investments, if this was the intention.

I haven't been provided evidence of SFSL presenting a direct comparison of the SIB2 and SKB1 to Mrs P. In the recommendation given in 2009 for taking out SIB2, SFSL said it was an "*extremely competitive and low charge product*" and that the ongoing management charge was typically 1-1.4% per annum which SFSL said was "*noticeably lower than the average investment product*". I haven't seen anything to suggest this charging structure had changed by 2013. I also haven't been provided evidence that the ongoing fees applicable to SKB1 were cheaper. And the recommendation of SKB1 indicates that an initial advice fee of 2.5% was also payable for taking out that bond.

So, the recommendation to change bond provider doesn't appear to have provided any benefits to Mrs P that she didn't already have under SIB2. And at the same time, it appears to have resulted in her incurring additional costs. As a result, I don't think this advice, to change providers, was suitable for Mrs P. I think she could have achieved the same objectives by retaining her existing bond, SIB2, which had no fixed end date according to the paperwork from when it was opened. And I think this is likely what she would have done, had she not been advised to transfer.

November 2013 recommendation to change ISA provider

There again doesn't appear to have been a further fact-find completed at the point of this advice. But given Mrs P's circumstances had been recorded only a few months earlier, I don't think that was unreasonable.

SFSL's recommendation summarised that, although the existing provider "*offer a good product and funds*" the adviser said they believed Mrs P would be better served transferring and reinvesting her funds into the new ISA with Skandia that it said she'd set up earlier that year.

Again, I haven't seen evidence of a like for like comparison having been prepared to demonstrate how, financially, Mrs P would be better off by transferring. I haven't been

provided anything to show that charges in respect of the new ISA were any cheaper. And the recommendation noted that, by agreeing to the advice, Mrs P would pay SFSL an initial fee of 2% as well as ongoing advice charges of 0.5%.

The recommendation summarised the reasons as being that Mrs P would not lose any tax benefits by transferring, the transfer would be in keeping with her ATR, the same investments that she held were also available with the new provider, holding her investments with one provider meant less paperwork and simpler management and there was no charge from Skandia for the transfer. But I can't see that any of these things justified Mrs P incurring the associated cost of the transfer.

If the same investments were available with the new provider, I think it would be reasonable to infer that the existing provider would have similar alternative investment options available to those also offered by the new provider. So, if Mrs P needed to alter how her ISA was invested because of her attitude to risk, she didn't need to transfer to achieve this. While she wouldn't lose any tax benefits by transferring, she likewise wouldn't lose any by remaining with her existing provider, for which there was also no charge. And I don't think less paperwork or simpler management justified the additional costs involved.

So, for much the same reason as with the advice earlier in 2013 to change bond provider, I don't think this transfer provided a tangible benefit to Mrs P that meant incurring the associated additional costs was in her interests. And, I think, had SFSL not advised her to transfer, she likely would have retained her existing ISA.

The ongoing advice service and whether this was provided correctly

Firstly, I think I should address comments made by Mrs P's representative about the relationship between Mrs P and SFSL and its role. The representative has noted the impact that the accident Mrs P suffered had on her and said that she was vulnerable. They have said that she needed professional help with managing her finances following this, and this was why she began dealing with SFSL. And they say that SFSL failed to manage her finances correctly or give her appropriate recommendations around wider plans, such as when to enter the housing market. But it wasn't the case that SFSL was Mrs P's appointed deputy, or equivalent, nor did it have discretion to unilaterally make changes to her investments. The relationship between Mrs P and SFSL was one of client and financial adviser. The representative has suggested that, in law, some of the statements made in correspondence between the parties committed SFSL to go further than this. But while I've taken account of all of the available evidence, and I have regard for the law, I'm deciding this complaint on the basis of what is fair and reasonable. And I'm satisfied, that SFSL's role was that of financial adviser to Mrs P. And so, I've thought about whether it acted correctly when carrying out that role – a financial adviser - which for the avoidance of doubt, in my view, didn't extend to it providing advice about the housing market

In addition, while I don't doubt what has been said about Mrs P's accident having had significant and long term impact on her, I don't think the available evidence supports what the representative has suggested – that Mrs P didn't understand her finances during the relationship between the parties and was entirely reliant on SFSL. It is clear that Mrs P trusted SFSL and her adviser and built a strong relationship with them. And I don't doubt that she considered their advice particularly valuable. But I've seen evidence, including email exchanges between the parties, indicating that Mrs P didn't enter into the conversations with, or advice she took from, SFSL entirely unprepared. I've seen emails where she discussed having carried out her own research into products and investments that they were to discuss. So, I don't think she was as inexperienced and advice reliant an investor, for the duration of the relationship, as the representative suggests.

When it comes to ongoing advice, an important point in time was the Retail Distribution Review ('RDR') in 2012 carried out by the FCA. Prior to the RDR, it was common for the advising or arranging agent that helped establish investments, to be paid commission. And often this was "trail commission" which tended to be payable for the lifetime of the investment. Commission was paid to the adviser by the product provider rather than the consumer. It was normally funded by the annual management fees the provider charged. Commission, including ongoing trail commission, was usually payable simply for having sold or arranged the investment and receiving commission didn't normally require the advising business to provide ongoing advice or services.

The advising firm may have agreed, separately, to provide ongoing services to the consumer. But it was common of pre-RDR agreements that what these services were was vague. The RDR aimed, amongst other things, to increase the transparency and fairness of adviser fees and the services provided in return for those fees.

After the RDR trail commission was no longer allowed on new products. Businesses that provided ongoing services on agreements taken out after the RDR had to charge a specific fee for that service and there were clearer rules in respect of setting out the nature of the services to be provided. In particular, COBS 6.1A.22 says:

"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; or**
- (2) the adviser charge relates to a retail investment product or a pension transfer, pension conversion or pension opt-out or arrangement with an operator of an electronic system in relation to lending for which an instruction from the retail client for regular payments is in place and the firm has disclosed that no ongoing personal recommendations or service will be provided."*

As I've explained, Mrs P became a customer of SFSL in 2005 – before the RDR. And her relationship with SFSL covers both pre and post RDR. So, I've kept the various changing rules in mind when thinking about what services SFSL ought to have provided and whether it has made an error.

For a lot of the advice pre-RDR, the position in Mrs P's complaint is similar to what I've explained – the information about ongoing services to be provided was fairly vague.

2005 – 2010

The first recommendation that SFSL provided in 2005 was clear that it wouldn't be receiving trail commission, just a commission payment upfront. This was paid by the product provider – so was an agreement between the provider and the adviser, which Mrs P did not make any direct payments towards. The recommendation letter also didn't commit to SFSL providing any ongoing services after this initial advice. And the terms of business and cost of services document at the time also didn't commit SFSL to providing a specific service. I have seen other correspondence between SFSL and Mrs P prior to the next investment advice it

provided, so I think it is clear that both parties had an expectation that there would be an ongoing relationship. But given there was no specified level of service SFSL was to provide, and Mrs P wasn't paying it directly for a specific service, I can't reasonably say it has failed to do something it ought to have in the initial years following the first piece of advice.

Mrs P's representatives said that SFSL reacted slowly to the financial crisis in 2008 and ought to have recommended she make changes to her investments before it did (I understand the investments were moved in February 2008). Firstly, I don't think it would have been reasonable to expect SFSL to anticipate the rather exceptional market conditions that took place at that time, sooner than it did. I believe there is a great deal of hindsight being used in the representatives' arguments on this subject, which I don't think fairly reflects the circumstances. But in any event, as I've said I can't see that Mrs P was paying SFSL at that time to provide her a specific service. So, in any event, I can't reasonably say that SFSL has made an error in terms of not providing a certain level of service.

Similarly, neither the advice in 2008 (to take out AOB1) nor in 2009 (to take out SIB2) set out details of the structure of ongoing services to be provided by SFSL. The terms of business from 2009 (a copy of which Mrs P signed) said *"In addition to making calls at your express invitation, we may contact you at intervals to review your investment requirements"*. But this didn't say that SFSL had agreed to carry out any ongoing services, just that it may contact Mrs P. Otherwise it would await her invitation to do so. The 2008 advice noted that the recommended product was likely to be held for one year. And the 2009 advice talked about looking at investments again, as things developed. But again, neither committed to a schedule of actions nor, crucially, did either of these recommendations result in Mrs P paying SFSL directly for services. SFSL's remuneration was still commission from the product provider – which is supported by the relevant illustrations. So, even if SFSL hadn't done something it had suggested it would, Mrs P has not paid more than she would always have done (product charges) for any missed service, at that time.

2010 agreement

At the time of the advice in 2010 (to take out SIB3), still pre-RDR, Mrs P signed a further copy of SFSL's terms of business. This contained the same information as the previous copy. It is worth highlighting though that it said (as did the 2009 version) *"We may charge fees in place of, or together with, commission. In these circumstances we will notify you in advance and ask that you return a signed copy of the agreement to the charges outlined"*. But there was no indication in the terms of business that the charging of fees committed SFSL to provide a different service than if it were paid by commission.

The product illustration for SIB3 said that SFSL would receive an initial commission payment but no trail commission. It would however receive an ongoing fee of 0.5% of the investment value per year. Mrs P signed the application form agreeing to this. The application form made it clear that the provider was not party to the agreement between Mrs P and SFSL in relation to that fee.

The letter recommending SIB3 didn't refer to an agreement to provide ongoing services in exchange for the fee, nor that any ongoing services would take a specific structure.

SIB3 was encashed in 2014, after the RDR. But the requirements of businesses in RDR didn't apply retrospectively to existing arrangements.

Taking all of this into account, while the charging structure following this advice differed to that which was given previously (fee based remuneration rather than commission), in the specific circumstances I again can't reasonably say that SFSL agreed to provide a service to Mrs P in exchange for the fees paid.

2013 and onwards

The remaining advice from SFSL was given post-RDR. So, the requirements in respect of ongoing services were different. In short, ongoing charges should only have been levied where a consumer was paying for an ongoing service. And the details of that service should have been clearly set out.

In May 2013, Mrs P signed a service agreement. This said that she wished to choose, from three options, SFSL's 'Bespoke Financial Planning' service. The service agreement said SFSL's aim was *"to provide financial advice for life and to create tailored solutions to achieve our client's financial goals"*. It went on to say that the 'Bespoke' level of service *"...is designed for clients wishing to ensure their financial arrangements remain tax efficient and relevant to their personal needs"*. It said that the service would *"ensure an annual face to face meeting"* and that customers would *"receive half yearly investment updates and our quarterly magazine"*. I would also note that the declaration said *"details of the agreed package will be confirmed in writing before the service plan commences"* but we haven't seen a copy of that confirmation.

The recommendations and further correspondence from SFSL after this date appear to have set out that Mrs P was paying an ongoing servicing fee of 0.5% on the products recommended, and which SFSL assisted with.

So, I'm satisfied from June 2013, when the first product after that declaration was signed was recommended, Mrs P was paying SFSL for an ongoing service.

Mrs P's representatives have argued that some of the recommended changes to how her funds were invested after this point were *"for the sake of appearances"* and that it should have made changes to her investments earlier following the outset of the COVID pandemic. I feel I should clarify though that the service agreement didn't alter the relationship between SFSL and Mrs P from that of financial adviser and customer. This didn't commit SFSL to a different role. It still wasn't an appointed deputy or equivalent for Mrs P. Nor did it become a discretionary fund manager. So, while with the benefit of hindsight – which again a great deal of the representatives' views are based on - it could be argued acting differently at different times might have benefitted Mrs P, that doesn't mean that SFSL has failed to do as it agreed.

Essentially the agreement between the parties about ongoing services was that they'd meet at least once a year. I'm satisfied that these annual face to face meetings, which ought to have begun one year from June 2013, should have taken the form of a review of Mrs P's, circumstances, objectives, investments and the ongoing suitability of the products that she held which SFSL had recommended. This would be in line with the requirements set by the regulator in COBS 6.1A.22 and in guidance it produced in 2014 in the form of a factsheet *"For Investment advisers - Setting out what we require from advisers on how they charge their clients"*.

SFSL has said that it met regularly with Mrs P. But it did not document the majority of these meetings. It has been unable to provide notes, diary entries or other evidence of when these meetings took place. So, it can't show that these meetings did happen annually from 2013 onwards or what was discussed. The fact that frequent meetings occurred isn't actually disputed by Mrs P. Both she and SFSL have acknowledged that the adviser formed a friendship with Mrs P and they were in contact frequently. But Mrs P says when meetings did take place they were often informal in nature – which the adviser also hasn't disputed.

Again, where evidence is incomplete or contradictory, I make my findings on the balance of probabilities.

As I explained when summarising the circumstances of the complaint, I've seen copies of letters SFSL sent to Mrs P in 2017 and 2021. These letters talked about some changes to how Mrs P's funds were invested and some additional contributions to her accounts. There aren't copies of any accompanying fact finds. But on balance of probabilities, I think these letters indicate that meetings had taken place as agreed, in those years. And I think on balance, those discussions likely involved a review of Mrs P's circumstances and objectives.

I've also seen notes indicating that discussions took place in 2020, when a large portion of Mrs P's investments were switched to cash because of the economic situation following the pandemic. I've also seen evidence of a meeting having taken place in 2022, including an email from Mrs P to the adviser thanking them for a clear explanation of her policies. I think these discussions both would again have involved a discussion of Mrs P's circumstances and objectives. So, I think it is reasonable to conclude that annual reviews were carried out in those years as well.

So, I think the available evidence indicates that reviews took place in 2017, 2020, 2021 and 2022.

But there isn't sufficient evidence available for me to reasonably conclude that the agreed reviews took place in 2014, 2015, 2016, 2018 and 2019. This means, in those years, Mrs P appears to have paid for services that she didn't receive. And I think the fair resolution in respect of that is for the fees charged for those services to be refunded.

I need to be clear though that, I'm only recommending a refund ongoing service fees charged by SFSL on products other than SKB1 and the Skandia ISA, during those years. That is because, the fees charged to those accounts for ongoing services are already factored into the recommendations I'm making (below) about how to address the unsuitable advice SFSL gave to take out those products.

Summary

In conclusion, in terms of the suitability of the advice provided by SFSL, I think the advice to take out an investment bond in 2005 and the advice to transfer to a different provider (both for the investment ISA and bond) in 2013, weren't in Mrs P's best interests. And so, I think SFSL should compare what happened to what most likely would have been the position had this advice not been given and compensate Mrs P if she has incurred a loss.

In respect of the other advice, I think what SFSL recommended was suitable.

Turning to the ongoing services, I don't think there is sufficient evidence to conclude that the agreed service was provided as it should have been each year. I don't think SFSL provided the service it agreed to in 2014, 2015, 2016, 2018 and 2019. And so, it should compensate Mrs P for her not receiving that service.

Putting things right

Where a business has made an error or done something wrong, my aim is to put the consumer as close as possible to the position they likely would have been in, but for the error. This isn't an exact science, particularly in a case like Mrs P's which involves a business relationship that existed for so long, with a significant number of events and investment products. And it isn't possible to *know* what would have happened. So, the methodology I've set out below is what I consider to be fair, in the specific circumstances.

2005 advice

I take the view that, had SFSL not recommended she take out SIB1, Mrs P would have invested differently. It is not possible to say *precisely* what she would have done differently. But I am satisfied that what I have set out below is fair and reasonable given Mrs P's circumstances and objectives when she invested – specifically that, although I'm satisfied she indicated to SFSL she wasn't risk averse, I think the suitable advice, which I think she would have accepted, would have been not to take risks with these funds, given her circumstances at the time (which I set out earlier).

What must SFSL do?

To compensate Mrs P fairly, SFSL must:

- Compare the performance of Mrs P's investment with that of the benchmark shown below and pay the difference between the *fair value* and the *actual value* of the investments. If the *actual value* is greater than the *fair value*, no compensation is payable.
- If there is a loss, I'm satisfied that it is reasonable to conclude those funds would likely have been re-invested by Mrs P when SIB1 was surrendered – as her circumstances by then had changed and investing at that time was suitable for her. So, SFSL should also compensate her for the lost additional growth on top of the compensation amount. And the fair way to do this, in my view, is to use a benchmark for investment growth in keeping with her updated circumstances and attitude to risk once SIB1 was surrendered.

Income tax may be payable on any interest awarded.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional compensation for lost growth
SIB1	No longer in force	Average rate from fixed rate bonds	Date of investment (which I understand to be 20 December 2005)	Date ceased to be held (which I understand was 4 February 2010)	Calculate the lost growth on the compensation amount using the FTSE UK Private Investors Income Total Return Index and pay this as interest on the sum from the end date to the date of settlement

Actual value

This means the actual amount paid from the investment at the end date.

Fair value

This is what the investment would have been worth at the end date had it produced a return using the benchmark.

To arrive at the *fair value* when using the fixed rate bonds as the benchmark, SFSL should use the monthly average rate for one-year fixed-rate bonds as published by the Bank of England. The rate for each month is that shown as at the end of the previous month. Those rates should be applied to the investment on an annually compounded basis.

Any withdrawal from the SFSL should be deducted from the fair value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if SFSL totals all those payments and deducts that figure at the end to determine the fair value instead of deducting periodically.

SFSL must pay the compensation within 28 calendar days of the date on which we tell it Mrs P accepts my final decision.

If SFSL fails to pay the compensation by this date, it should pay 8% simple interest per year on the loss, for the period following the deadline to the date of settlement.

Why is this remedy suitable?

I understand that Mrs P's representative has suggested it doesn't agree with the use of benchmarks, instead suggesting Mrs P would have invested in the best possible alternative. But I don't believe it is fair to use hindsight of performance to make such an award. And I think utilising benchmarks, which as the representative is aware is common in decisions by our Service, is appropriate.

I have decided on this method of compensation because:

- Mrs P wanted to achieve a reasonable return, but her circumstances meant it was in her best interests not to risk any of her capital.
- The average rate for the fixed rate bonds would be a fair measure given Mrs P's circumstances and objectives. It does not mean that Mrs P would have invested only in a fixed rate bond. It is the sort of investment return a consumer could have obtained with little risk to their capital.
- After SIB1 was surrendered, Mrs P was in a position to accept additional risk, and indicated she was willing to take this. The FTSE UK Private Investors Income **Total Return** index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is a mix of diversified indices representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return. Although it is called income index, the mix and diversification provided within the index is close enough to allow me to use it as a reasonable measure of comparison given Mrs P's circumstances and risk attitude at the point SIB1 was surrendered.

2013 advice

But for the advice from SFSL in 2013, I think Mrs P would have retained her investment bond and ISA with her previous provider. However, I cannot be certain that a value will be obtainable for what the previous policies would have been worth now. It is also unclear what the current status of the investment products which were moved to the new provider in 2013 (SKB1 and Mrs P's ISA) is. Or what changes have been made to these, since SFSL ceased acting as Mrs P's adviser. I'm satisfied what I have set out below is fair and reasonable, accounting for these unknown factors.

What must SFSL do?

To compensate Mrs P fairly, SFSL must:

- Compare the performance of Mrs P's investments (Skandia ISA and SKB1) with the notional value if they had remained with the previous provider. If the actual value is greater than the notional value, no compensation is payable. If the notional value is greater than the actual value, there is a loss and compensation is payable.
- The 'end date' for this calculation should be the date on which SFSL ceased acting as Mrs P's adviser.
- If there is a loss, I'm satisfied that it is reasonable to conclude those funds would likely have also been invested by Mrs P. And these would have continued to earn returns until SKB1 and the ISA were surrendered (if they have been). So, SFSL should also compensate Mrs P for the lost additional growth on top of the compensation amount, from the point it stopped acting as her adviser to the date of surrender (or the date of my decision if the policies are still in force).

Income tax may be payable on any interest awarded.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional compensation for lost growth
SKB1 and Skandia Investment ISA	Still existed and was liquid at the date SFSL stopped acting for Mrs P. Current status unknown	Notional value from previous provider (Sterling)	Date of investment	Date SFSL ceased advising Mrs P (in 2022)	Calculate the lost growth on the compensation amount using the FTSE UK Private Investors Income Total Return Index and pay this as interest on the sum from the end date to the date of surrender of SKB1 and Skandia ISA (if still in force, use the date of settlement)

Actual value

This means the actual amount payable from the investment at the end date.

Notional Value

This is the value of Mrs P's investment had it remained with the previous provider until the end date. SFSL should request that the previous provider calculate this value.

Any additional sum paid into SKB1 or the investment ISA should be added to the *notional value* calculation from the point in time when it was actually paid in.

Any withdrawal from SKB1 or the investment ISA should be deducted from the notional value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if SFSL totals all those payments and deducts that figure at the end to determine the notional value instead of deducting periodically.

If the previous provider is unable to calculate a notional value, SFSL will need to determine a fair value for Mrs P's investment instead. And based on Mrs P's circumstances and ATR, I think using the benchmark: FTSE UK Private Investors Income Total Return Index, would again be an appropriate approximation – as she wanted Capital growth and was willing to accept some investment risk. The adjustments above also apply to the calculation of a fair value using the benchmark, which is then used instead of the notional value in the calculation of compensation.

SFSL again must pay the compensation within 28 calendar days of the date on which we tell it Mrs P accepts my final decision.

If SFSL fails to pay the compensation by this date, it should pay 8% simple interest per year on the loss, for the period following the deadline to the date of settlement.

Fees for ongoing services not provided

There is insufficient evidence that SFSL provided the agreed ongoing services, in particular annual reviews, to Mrs P in 2014, 2015, 2016, 2018 and 2019. So, I think it would be fair and reasonable that fees charged for the ongoing services not provided by SFSL should be refunded to Mrs P.

The calculation of redress in respect of the advice in 2013 already accounts for fees applied to SKB1 and the investment ISA switched to Skandia. So, SFSL does not need to make a separate refund of these amounts. However, any fees applied to any other products it assisted Mrs P with, in the years I've listed, should be refunded.

These amounts should be adjusted for growth as if the fees had remained in the existing investment funds, from the date the fees were deducted to the date of my final decision.

Where possible, the compensation amounts should be paid back into the products they were deducted from. If a payment into the investments isn't possible (for example, in the case of an ISA if it would result in Mrs P exceeding her annual allowance, or for a pension if it would conflict with any existing protection or allowance) compensation should instead be paid directly to Mrs P as a lump sum.

If a lump sum payment is made to Mrs P in respect of redress due on a pension, SFSL can make a notional deduction to allow for future income tax that would otherwise have been paid when funds were drawn from the pension. Mrs P would be entitled to tax-free cash from a pension. So, 25% of the loss would be tax-free and 75% would have been taxed according to her likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.

No notional deductions should be made from lump sum payments in respect of any other types of investment.

SFSL should provide details of the calculation to Mrs P in a clear, simple format.

Distress and Inconvenience

Our Investigator recommended that SFSL also pay Mrs P £300 for the distress she is likely to have incurred as a result of the failings by SFSL.

The evidence indicates that Mrs P didn't have concerns about SFSL, while she remained a customer. This was until 2022. Mrs P then appointed a different adviser. And at a later point was in contact with her representative about making a complaint.

Its likely Mrs P would have been upset on realising or being told by her representative that she may have had reason to complain. But I think anyone who finds they may have cause to complain would be disappointed to learn that. And this doesn't mean that everyone who raises a complaint, or even everyone who has a complaint upheld (partially or fully), must therefore be compensated for distress and inconvenience.

That being said, Mrs P's circumstances and the nature of her relationship with SFSL, and the duration of this, mean that I do think she is likely to have been distressed to learn that the advice she received was potentially not always in her interests. And, in the specific circumstances of this complaint, I therefore think the recommendation made by the Investigator is fair. And I find that SFSL should, in addition to carrying out the calculations described, pay Mrs P £300 for the upset caused by its failings.

My final decision

For the reasons I've explained, I think the complaint should be upheld in part.

To put things right, Strategic Financial Solutions Limited should compensate Mrs P using the methodology set out in the 'putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 10 April 2026.

Ben Stoker
Ombudsman