

The complaint

Mr H states that the advice given by Harbour Rock Capital Ltd ('Portafina') in respect of his pension was negligent and he has lost out financially as a result.

The complaint has been submitted on behalf of Mr H by a claims management company (CMC) but to keep things simple, all correspondence will be referred to as coming from Mr H.

What happened

In March 2023, Mr H sought advice from Portafina in relation to his pensions. At that time he was aged 55, and married, his wife was aged 73.

The file indicates that Mr H had initially instigated contact with Portafina in 2021, however the majority of the information gathering and the advice was given in March 2023, therefore this appears to be the point at which Mr H seriously sought to access his pensions.

At that time he was employed, however he was expecting to be made redundant later in 2023, and anticipated receiving a lump sum of approximately £10,000 at that time. His objective was to access funds from his pension to complete some home improvements, repay his mortgage and some unsecured borrowing. He had obtained a quote for the most crucial of the work to be done which was around £8,000, however he had not obtained quotes for the rest of the work. His household expenditure at that time was stated to be £2,480, reducing to £1,464 following repayment of the debts and ceasing payments for life cover. The outstanding debts were £25,400 (broken down as £12,000 mortgage, £12,000 car lease, £1,200 personal loan and £200 credit card, plus a payment of £240 which was owed in relation to a utility bill).

The fact-find provided states that the debts were "*manageable*" but that Mr H "*would rather just get debt paid off to afford other things*". The objectives as stated in the fact find were to access £1,640 to repay debt, and £27,050 for home improvements which were "*critical*". The mortgage was due to be repaid before retirement and therefore was not included in the debts to be repaid. The fact find includes some personalised detail relating to Mr H's objectives, which I will not detail here, but included loft and roofing work as well as a new drive and home decoration. Mr H had not received up to date quotes, but the costs were stated to be broadly £8,000 for the loft and £600 for the decoration. There was no quote for the drive. The notes state that Mr H was not concerned about income in retirement as he felt the income he would have from his former employer's pension alongside state pension would be sufficient, and he needed the money more at the time of the advice.

Mr H's wife was in receipt of state pension £780 per month, and £250 per month personal pension. Mr H was anticipating a full state pension when he retired, having always been in employment and intended to continue working until around age 67.

His attitude to risk was assessed as "*moderately cautious*".

As stated above, Mr H was anticipating being made redundant later in the year (around five months after the advice) at which point he would receive around £10,000. The file indicates that Mr H planned to use the money from the redundancy for a holiday.

In September 2022, Portafina obtained information relating to Mr H's former employer's pension. This was a defined benefit scheme and at retirement age of 60 was projected to provide Mr H with an annual pension of £1,065 and lump sum of £3,316. If Mr H retired in 2022 at age 55, the pension available would have been £814.94 per annum and a lump sum of £2,411.

In addition to this, Mr H held two defined contribution pensions, one with Provider A with a fund value of £3,470 and one with Provider B with a fund value of £25,221. The tax free cash available was 25%, a total of £7,172. He had no other savings and no disposable income.

On 30 March 2023, Portafina provided their recommendation. They recorded Mr H's objectives as being "*I want to strip my pension to do home improvements and clear off debt*". This was broken down as £1,640 for repayment of debt, and £27,050 for home improvements. In order to achieve this, they recommended transferring both his pension arrangements to a new pension with Provider C, and release the entire pension as a lump sum payment, of which £7,172 would be tax free cash entitlement. Due to the intention being that the entire fund would be encashed immediately, the recommendation was for the transferred fund to be invested 100% in cash pending the encashment of the plan.

The suitability report confirmed there was just one deduction of £0.50 applying on transfer, and no benefits would be lost on transfer from either scheme. A fee of £2,008 was charged which would be deducted from the residual fund after taking the tax free cash. The report stated that there was no obligation to proceed with the transfer.

In April 2025 Mr H submitted a complaint to Portafina. In this complaint he stated that he had received negligent advice. He stated that Portafina did not provide him information in relation to the full range of options available to him, specifically that they did not tell him that he was entitled to receive a tax-free cash lump sum from his existing pension schemes without the need to transfer his pension elsewhere.

Mr H states that due to the incorrect advice he received, he incurred unnecessary charges and financial detriment which could have been avoided if he had been properly advised of all his available options.

On 29 August 2025, Portafina provided their final response to the complaint, which they did not uphold. In their response, they stated that their advice was based on Mr H's objectives which were to encash his full pension as the tax-free cash available wasn't sufficient for this needs. Portafina stated that they carefully assessed alternative options as well as outlining the associated risks to Mr H, and having deemed that Mr H's financial needs they had determined there would be no shortfall in retirement.

In the meantime, because Portafina had not provided their response within eight weeks of the initial complaint, Mr H referred his complaint to this service. Portafina's response did not satisfy Mr H, and on 29 September 2025, following an investigation, our investigator issued his view.

Having considered the available evidence, he was of the opinion that the transfer was not in Mr H's best interests, and upheld the complaint. He stated that there wasn't enough evidence to suggest that advice was necessary for Mr H, and that he should have been advised to take the funds from his existing pensions. In order to put Mr H back in the position he would have been had it not been for Portafina's unsuitable advice, the investigator stated

that a calculation should be carried out by obtaining the notional value of Mr H's pensions had he remained in the exact pensions and funds that they were initially invested in, and comparing this with the value of Mr H's pension with provider C at the time he accessed his funds. Any loss should be paid to Mr H.

Portafina did not agree with this outcome. They stated that Mr H had contacted them in order to seek advice in relation to the best way of achieving his objectives as he wanted to be in a fully informed position before making the withdrawal. They have stated that regardless of whether their advice was to transfer or not, Mr H would have had to pay an advice fee for their services. If he had not transferred, and had made the withdrawals from his pension, this fee would have been payable by Mr H from the withdrawal after the tax free cash, and therefore would have cost more. They state that by recommending the transfer, Mr H made a saving of around £400 tax.

Mr H remained dissatisfied and as a result his complaint has been forwarded to me for a decision.

Provisional Findings

I issued my provisional decision on 20 February 2026. It said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so I am in agreement with the investigator's view that the recommendation to switch his pensions to Provider C was not in Mr H's best interests however, I have come to my conclusion for slightly different reasons.

I have summarised this complaint in less detail than Mr H has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts. I have focused on what I believe is the crux of Mr H's complaint, that is, that the advice provided by Portafina was not suitable for him.

My role is to consider the evidence presented by Mr H and Portafina in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice.

In reaching my view on suitability, I have also considered the requirements set out in COBS 9, which require advisers to obtain and consider all relevant information about a customer's circumstances before making a recommendation. This includes assessing whether the recommendation is in the client's best interests and whether it is demonstrably more suitable than the available alternatives.

When considering a pension switch recommendation, I would also usually take into account the regulator's checklist for pension switching, which highlighted four key issues it thought should be focussed on, that is, charges, existing benefits, risk and ongoing fund management. However, given Mr H's specific objective, that is, to access (strip) his entire pension fund at the time of the advice, I have not considered these elements primarily and focused on the advice more holistically, and the suitability of the recommendation to strip the pension in its entirety at that time.

Mr H has stated that he believes that Portafina should not have provided advice to transfer his pension, and instead should have advised him to access his funds directly. They state that this option was not explained clearly to him, and that he was charged additional fees to transfer without any just reason to do so. In response to this, Portafina have stated that they did not just advise Mr H in respect of how to best facilitate the withdrawal that he wanted. They state that they reviewed Mr H's circumstances and aims in full in order to advise him on whether he had sufficient provisions in place to meet his needs in retirement should he fully strip these pensions. Portafina have raised their concerns that the opinion in the investigator's view was that Mr H should have taken no advice, and just stripped his pensions with his existing providers, which is not in line with the regulator's drive to encourage customers to consider their retirement planning. Portafina have stressed their view that it is arguably more important and necessary to get advice when considering fully stripping a pension.

I am in agreement with Portafina that it would not have been appropriate for Mr H to have approached his existing pension providers in order to arrange accessing his pensions without firstly obtaining financial advice. Given his lack of prior knowledge and experience, this advice would have been of value to him. However, I am not in agreement that the recommendation to transfer and strip his entire pension fund in order to meet his objectives was an appropriate recommendation for Mr H.

I have considered whether it was reasonable for Portafina to make a recommendation to Mr H to access the majority of his pension provision at age 55 in order to carry out home improvements and pay off his personal loan. When considering this, I have taken into account Portafina's obligations as an adviser making a recommendation alongside Mr H's rights to access his pension in line with pension freedoms available to him and his wider circumstances. I do not believe that Mr H was in a financial position such that a recommendation to strip his entire personal pension arrangements was suitable.

Mr H approached Portafina the year before his 55th birthday because he wanted to access his pensions to carry out home improvements and repay a small personal loan. He had no savings or investments, or other alternative options for funding available to him. At that time he was employed with income that covered his expenditure.

Portafina carried out a full fact finding exercise, which identified that stripping Mr H's pension at that time would not have an impact on his standard of living in retirement because his entire income need in retirement would be covered by other income sources. I do not agree that this is the case. Although it can be seen that Mr H and his wife's state pensions alongside his DB scheme that was being retained meant that there would be no shortfall in retirement based on their expenditure staying the same, (minus the mortgage and other debt payments) this does not take into account Mr H's financial position if his wife predeceased him. She was around eighteen years older than him, therefore this is not an unreasonable assumption. Portafina do not appear to have considered his needs if she died. In this eventuality, Mr H would have had insufficient income to meet his likely expenditure, meaning that provision of income should have been prioritised above non-critical tax free cash needs at an early age when making a recommendation.

Advisers are required to take into account all material factors that could affect a customer's future income needs. Given that a proportion of the anticipated retirement income depended on Mr H's wife's pensions, and considering the substantial age difference, the sustainability of income in a single-life scenario should have been fully explored and documented.

I have considered the statements from Portafina that Mr H was intent on accessing his pension. I do not disagree with these statements, from the evidence I have seen, Mr H's actions do seem to suggest that Mr H was interesting in accessing his rights to access his

pensions in order to meet his objectives. However, Portafina were in the position of a professional adviser who had a duty of care to provide a recommendation that was in Mr H's best interests. Regardless of whether Portafina thought that Mr H would accept a recommendation not to access his benefits in full at that time (perhaps deferring the decision until he was more certain of the costs involved, or until he had received the anticipated redundancy payment which could have been used to support the objectives), a recommendation meeting the requirements and in line with Portafina's duty of care as an adviser should have been made.

Even where a customer expresses a strong desire to take a particular course of action, the adviser must still provide a recommendation that is suitable and in the customer's best interests. The adviser must also clearly explain the risks and consequences if the requested action is unsuitable. There is no evidence that Portafina provided such a clear warning or advised Mr H not to proceed in light of the identified risks.

Mr H's needs from his pension were stated to be repayment of small debts, and home improvements. I note that at the time of the advice, although he had obtained a quote for some of the work required (seeming to be the most critical), he had not obtained quotes for the remaining work. This suggests to me that this work was likely to be "nice to have" rather than urgently required. Likewise, the file indicates that the debts were manageable to Mr H, suggesting that there was not an immediate requirement to take action in respect of these. Given the short term until Mr H's redundancy, when he was anticipating receiving £10k redundancy payment, he could have taken the tax-free cash from his existing pensions, which alongside his redundancy payment would have met the majority of his needs, leaving the remaining funds intact to support his income needs at the point he retired.

When making a suitability assessment, an adviser must consider any reasonably foreseeable changes in a customer's circumstances. The anticipated redundancy payment was a near-term, confirmed financial event that should have been factored into the recommendation, particularly as it could have met a significant part of Mr H's stated objectives without the need for full pension encashment at a young age.

Nevertheless, I have considered what Mr H was likely to have done if he had been advised against stripping his pension benefits in full at that time. The fact find demonstrates that quotes had only been received in relation to the work Mr H required to be done in the loft and roof of his property, whilst he had not obtained quotes for the remainder of the work, indicating that the work, whilst desirable, was not time bound or critical and could have been funded as outlined above.

As an inexperienced investor, Mr H would have been particularly reliant on the advice provided and on Portafina making him fully aware of the implications of accessing his pension in full at such an early age. Whilst the information provided does indicate that Mr H was motivated and keen to access his funds in full, relying on state pension and a small ex employer's DB scheme, given his lack of experience I have considered what Mr H was most likely to have done if presented with a recommendation from a financial adviser advising against this, or to access a smaller proportion of the overall fund.

On balance, I consider it more likely than not that Mr H would have followed a suitable recommendation. He was an inexperienced investor, his stated objectives were not urgent, and the redundancy payment was imminent. In these circumstances, a clear professional recommendation against full encashment at age 55, supported by an explanation of the long-term impact on retirement income, is something I consider he would have been likely to accept.

In their correspondence to this service, Portafina have stated that by transferring, Mr H was able to pay their advice fee from the fund prior to payment of the taxable income, rather than having to pay the advice fee from taxable income if he had accessed his pensions without transferring and therefore the transfer resulted in a saving of over £400 in tax to Mr H. They state that Mr H approached them, and they acted to provide financial advice as required, on order to ascertain the best way for Mr H to access the required funds.

I have considered whether this is a reasonable assertion, and am not satisfied that it is. I note that on 30 March 2023, Portafina provided a pension recommendation for Mr H. For a transfer to be suitable, the adviser must demonstrate why moving the pension to a new arrangement is necessary to achieve the consumer's objectives and why the current arrangements are not capable of meeting those objectives. In this case, there is no analysis showing why a transfer was required in order to access tax-free cash or income, nor is there evidence that alternatives such as UFPLS or partial withdrawals were considered or explained. In the opening section, this document states "there is no fee to pay for this report. The reason is simple: we want to provide you with sufficient information to assess our approach and proposals with no obligation." In relation to objectives, at page 3, the report states "You told us that: "I want to strip my pension and do home improvements and clear off debt". It then recommends that both Mr H's pensions be transfer to a personal pension with provider C, with the reason stated to be to access the pension to meet his needs. These were outlined as repayment of debt £1,640 and home improvements £27,050. This was based on a total pension fund of £28,690 which would be subject to the advice fee and tax. £7,172 would be tax free cash.

The recommendation following transfer was to invest in cash as Mr H would be accessing the entire fund immediately.

The report explained the tax implications of accessing the pension and confirmed that the total lump sum that would be received after tax was deducted would be £25,054.

The adviser fee was £2,008, which the report stated would be deducted from the residual fund if Mr H decided to transfer. The report stated that the fee included the work carried out prior to recommendation, the recommendation itself, access to the Financial Ombudsman Service, the setup of the new pension, funds and all transfers from the current schemes, and payment of the pension money to Mr H. The funds to be charged for the new pension were an annual management charge of 0.2% of the pension fund, and an administration fee of £75.

For the reasons stated above, I uphold Mr H's complaint against Portafina."

Responses to my provisional decision

I have received responses from both Mr H and Portafina following my provisional decision. Mr H has stated that he accepts my provisional decision and has not provided any additional comments or information for consideration.

Portafina have not accepted my provisional decision and have made a number of comments. They have stated that they believe that the considerations used in my final decision were standards that are more applicable to a defined benefit pension rather than a defined contribution pension such that Mr H holds. They state that the objective of Pension Freedoms was in part to provide consumers with greater flexibility and choice in how to manage their pension funds in retirement and where an individual has their essential income in retirement covered, it allows consumers to take pension benefits as they want to.

Portafina have disagreed with my view that Mr H would have a shortfall in retirement and explained that if his wife were to pre-decease him, and assuming that his expenses were reduced, his state pension and defined benefit pension would be sufficient to meet the reduced expenditure. In relation to Mr H's redundancy, Portafina argue that as Mr H was about to lose his job, it was not wholly unreasonable that he wished to clear his debt/mortgage and get what he needed done in advance of this happening and prior to losing his source of income and not being in a position to afford to do anything.

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.

Whilst I acknowledge Portafina's comments in relation to pension freedoms, I am not minded to change my decision in relation to the advice given to Mr H.

Mr H approached Portafina to provide advice in relation to his pension.

I note that as part of the advice given, Portafina considered Mr H's future income requirements. I have reviewed the documentation completed at the time of the advice, which state that Mr H's total expenditure in retirement was likely to be £18,576, therefore they believed that he had sufficient retirement provision to meet the core expenditure plus £1,000. This was based on the household income between Mr H and his partner of £22,960. Whilst I acknowledge that if Mr H's partner was to pre-decease him that his expenditure would reduce, there is nothing within the file to indicate that consideration was given to this point when formulating the advice, nor does the file include anything to confirm that Mr H was asked what he thought his core income need in retirement was likely to be or the extent to which it would reduce.

Portafina have stated that given that Mr H was going to be made redundant, it was reasonable that he would want to clear his debt/mortgage and get what he needed done in advance of this happening and prior to losing his source of income and not being in a position to afford to do anything. I note that Mr H was not intending to repay his mortgage by using the pension, and the debt that was to be repaid represented a small proportion of required lump sum. The debt was lower than the tax free cash available to Mr H.

Given Mr H's lack of knowledge and experience and taking into account his financial circumstances as a whole, it would have been reasonable for Portafina to recommend accessing only the amount of pension that it was known was required immediately, and recommending that he wait until after his redundancy before making a further recommendation. Portafina have stated that Mr H wanted to clear his debt and get the work he needed to do done before he lost his source of income and therefore would not be in a position to afford to do the work.

I have considered whether this is a reasonable consideration and am not persuaded that it was. If Portafina had not provided advice to Mr H to strip his pension at the time that they did, it would still have been available to him at a later date following his redundancy if his circumstances at that time still dictated that he did need additional funds. It is reasonable to conclude that following redundancy and receipt of the anticipated redundancy lump sum, Mr H may view his capital requirements differently and stripping the pension may not have been appropriate.

In my view, Portafina's recommendation did not meet the requirements of COBS 9.2.1R; this requires an adviser to obtain and evaluate all relevant information and ensure that any personal recommendation is suitable for the client. For a pension transfer, COBS 9.2.2R

further requires an adviser to assess whether the recommended course of action is demonstrably more suitable than the available alternatives. And, as I've already explained, the file doesn't show any analysis explaining why a transfer was necessary, nor is there evidence that Portafina considered alternative methods of accessing the benefits such as partial crystallisation or UFPLS from the existing plans. Without such analysis, I cannot reasonably conclude that the transfer recommendation complied with the standards required of a regulated adviser.

Importantly, where a consumer seeks to access pension benefits, the adviser must consider all the available mechanisms for doing so. For defined contribution pensions, this includes taking tax-free cash directly from the existing arrangement, partial crystallisation, or UFPLS. These options should be evaluated and explained before a transfer is recommended. In Mr H's case, the documentary evidence didn't in my opinion demonstrate that Portafina considered or discounted these options. This is a significant omission, because had these alternatives been explored and compared, it seems that Mr H could have met his immediate objectives without transferring his entire pension or incurring additional fees and tax liabilities.

And, whilst I acknowledge Portafina's reference to pension freedoms and the flexibility they afford consumers, the introduction of those options didn't alter the adviser's obligation to provide advice that was suitable and in Mr H's best interests. Pension freedoms give consumers more choices, but they do not justify eliminating or bypassing a proper suitability assessment. The flexibility of the regime makes robust suitability assessments more, not less important, because the potential for consumers to make irreversible decisions has increased. So, in my view, Portafina's reliance on pension freedoms doesn't mitigate the shortcomings in the advice process identified in this case. By withdrawing the entire pension, Mr H paid unnecessary tax on the portion above his tax-free allowance, as the evidence does not show that the funds were needed urgently or that he could not have waited to access them in a more tax-efficient way.

I do think it was foreseeable at the time of the advice that Mr H would shortly receive a redundancy payment of £10,000, from what I've seen, this was a confirmed and imminent event. And the regulator has been clear, advisers must consider known future changes when assessing suitability. The redundancy payment could reasonably have met a substantial part of Mr H's stated objectives, reducing or eliminating the need for early pension encashment. In my view, failing to incorporate this factor into the core suitability assessment was a significant oversight.

For the reasons above, it follows that I uphold Mr H's complaint.

Putting things right

Fair compensation

My aim is that Mr H should be put as closely as possible into the position he would probably now be in if he had been given suitable advice.

I think Mr H would have invested differently. It's not possible to say *precisely* what he would have done, but I'm satisfied that what I've set out below is fair and reasonable given Mr H's circumstances and objectives when he invested.

What must Portafina do?

To compensate Mr H fairly, Portafina must:

- Compare the performance of Mr H's investment with that of the benchmark shown below. If the *actual value* is greater than the *fair value*, no compensation is payable.
- Because I am not in agreement that Portafina provided the correct advice to Mr H, it is not appropriate that Mr H should incur the advice fee, therefore the comparison should take into account the value of the pension at the transfer date and not take into account the advice fee charged.
- If the *fair value* is greater than the *actual value* there is a loss and compensation is payable.
- Portafina should also add any interest set out below to the compensation payable.
- If there is a loss, Portafina should pay into Mr H's pension plan to increase its value by the amount of the compensation and any interest. The amount paid should allow for the effect of charges and any available tax relief. Compensation should not be paid into the pension plan if it would conflict with any existing protection or allowance. It is my understanding that Mr H is unlikely to still have a personal pension arrangement therefore this option may not be possible.
- If Portafina is unable to pay the compensation into Mr H's pension plan, it should pay that amount direct to him. 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 Mr H won't be able to reclaim any of the reduction after compensation is paid.
- The *notional* allowance should be calculated using Mr H's actual or expected marginal rate of tax at his selected retirement age.
- It's reasonable to assume that Mr H is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr H 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%.
- If either Portafina or Mr H dispute that this is a reasonable assumption, they must let us know as soon as possible so that the assumption can be clarified and Mr H receives appropriate compensation. It won't be possible for us to amend this assumption once any final decision has been issued on the complaint.

Income tax may be payable on any interest paid. If Portafina deducts income tax from the interest, it should tell Mr H how much has been taken off. Portafina should give Mr H a tax deduction certificate in respect of interest if Mr H asks for one, so he can reclaim the tax on interest from HM Revenue & Customs if appropriate.

| Portfolio name | Status | Benchmark | From ("start date") | To ("end date") | Additional interest |
|------------------|--------------------|--|---------------------|------------------------|---------------------|
| Personal Pension | No longer in force | For half the investment: FTSE UK Private | Date of investment* | Date ceased to be held | |

| | | | | | |
|--|--|---|--|--|--|
| | | Investors Income Total Return Index; for the other half: average rate from fixed rate bonds | | | Pay 8% simple interest per year on any loss from the end date to the date of settlement. |
|--|--|---|--|--|--|

****For clarity, the 'start date' of the calculation should be the date on which the transfer to Provider C completed, as this is the point at which Mr H ceased to be invested in his previous arrangements.***

Actual value

For clarity, because Mr H fully encashed his fund following the transfer, the "actual value" should be taken to mean the amount that Mr H actually received after tax and charges. This reflects the real-world outcome of the unsuitable advice and ensures the redress calculation compares like with like.

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, Portafina 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.

To assist clarity, the comparison should disregard the adviser's fee entirely, as it would not have been incurred had suitable advice been provided and is therefore not part of the 'actual value' in the scenario.

Any withdrawal from the portfolio 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 Portafina totals all those payments and deducts that figure at the end to determine the fair value instead of deducting periodically.

Portafina must pay the compensation within 28 calendar days of the date on which we tell it Mr H accepts my final decision.

If Portafina 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've chosen this method of compensation because:

- Mr H wanted capital growth with a small risk to his capital.

- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to his capital.
- The FTSE UK Private Investors Income **Total Return** index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is made up of a range of indices with different asset classes, mainly UK equities and government bonds. It's a fair measure for someone who was prepared to take some risk to get a higher return.
- I consider that Mr H's risk profile was in between, in the sense that he was prepared to take a small level of risk to attain his investment objectives. So, the 50/50 combination would reasonably put Mr H into that position. It does not mean that Mr H would have invested 50% of his money in a fixed rate bond and 50% in some kind of index tracker investment. Rather, I consider this a reasonable compromise that broadly reflects the sort of return Mr H could have obtained from investments suited to his objective and risk attitude.

My final decision

I uphold Mr H's complaint against Harbour Rock Capital Limited.

Harbour Rock Capital Limited should pay the amount calculated as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 April 2026.

Joanne Molloy
Ombudsman