

The complaint

Mr B's complaint about JKFS (UK) Limited concerns the advice it gave him to transfer his Defined Benefit (DB) pension to a new personal pension arrangement. He says he's unhappy with the conclusion it's reached that despite the advice being unsuitable he would have gone ahead anyway, and wants a refund of the initial advice fees he paid.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here. The following is a summary of the background leading up to the complaint to provide some context.

In 2022, JKFS recommended Mr B transfer his DB pension to a new personal pension arrangement. Mr B accepted the advice and the transfer went ahead.

In 2024, JKFS wrote to Mr B asking if he wanted to be part of a review it was carrying out into its historic DB transfer advice because it said the advice he received may have been unsuitable. Mr B accepted the offer of a review.

In 2025, JKFS wrote to Mr B informing him of the outcome of the review carried out by an independent firm. It concluded that while the advice was unsuitable, on balance, Mr B would have gone ahead with the transfer regardless.

Mr B then complained to JKFS. He said that because the advice had been deemed unsuitable, he believed he should be entitled to a refund of the advice fee he paid.

JKFS disagreed and didn't uphold the complaint. It said the fee was disclosed and agreed at the time of the advice and said the advice fee would have applied regardless of whether the advice had been to transfer or to remain in his DB scheme.

Dissatisfied with its response, Mr B referred his complaint to us. In summary he said, he received an unsuitable recommendation and / or inadequate information in which to make an informed decision, so JKFS should not have taken fees in the circumstances, and it should refund them.

JKFS maintained its position that Mr B entered into a contractual agreement for regulated advice and understood the fee was payable. He received the advice, so it said no refund of fees was due. It repeated that while the independent review identified the DB transfer advice as unsuitable, it also concluded there was no causal link. It said Mr B had told it he didn't believe he was financially worse off by transferring.

One of our investigators looked at things. And following its conversation and interactions with JKFS, despite it maintaining its view about the matter, it said it was willing to carry out a redress calculation in line with the regulator's, the Financial Conduct Authority (FCA) redress methodology for calculating redress for non-compliant pension transfer advice, to determine if Mr B had lost out as a result of the advice he received. The investigator explained to Mr B that because this would be in line with what they would tell JKFS to do if they concluded the

advice he received was unsuitable, its offer was a fair way to resolve the complaint.

While Mr B initially accepted the offer and JKFS began the process of carrying out the redress calculation, Mr B changed his mind and said he couldn't accept the proposed outcome. He said he didn't agree with the conclusion that he would have gone ahead with the transfer regardless. He said given the significance of the decision, he relied on the advice to guide his actions, so causation couldn't be dismissed. He also repeated the point that he didn't think it was fair for him to bear the cost of the advice, which had subsequently been deemed unsuitable.

The investigator explained to Mr B that the redress calculation takes account of the charges he paid and said the methodology was the regulator's prescribed approach to assess whether he'd suffered financially as a result of the advice received.

Because Mr B disagrees with the position that no refund of fees should be made, and the investigator's view of things remained the same, the complaint was passed to me to decide.

What I've decided – and why

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

Having done so, I agree with the conclusion reached by the investigator that JKFS' offer to carry out a loss calculation is a fair way to resolve this complaint, for the following reasons.

I understand Mr B remains unhappy because he doesn't think it is fair he should pay for advice which has subsequently been deemed unsuitable and so the fee should be refunded. Mr B has also questioned JKFS' conclusion that he would have gone ahead regardless of the unsuitable advice – he says his actions were guided by what JKFS advised him to do, implying he would have acted differently if things had happened as they should have.

If, as JKFS has concluded, the answer in this case is that Mr B would have gone ahead regardless of the unsuitable advice, because he sought out and agreed to pay for that advice (Mr B signed a fee agreement setting out the cost of the advice at the time) then there would be no fair and reasonable basis on which Mr B should receive compensation or get a refund of the advice fee he paid.

But importantly here, despite JKFS maintaining its belief that this is the right answer, it has agreed to carry out a redress calculation in line with the FCA's guidance to firms for calculating redress for non-compliant pension transfer advice. Why is this important here? It's important because, if I decided to uphold this complaint on the basis that I thought the pension transfer advice Mr B received was unsuitable and that he would otherwise have likely retained his DB pension and not still gone ahead regardless, to put things right I would instruct JKFS to carry out the same redress calculation it has already offered to conduct.

I think this approach represents fair compensation because, as far as is possible, it seeks to put a consumer back in the position they would have been if they had paid for and received suitable advice and remained in their DB scheme. It is a well-established approach.

The calculation determines, having established the estimated value of the benefits in the DB scheme and the value of the benefits from the Defined Contribution (DC) personal pension arrangement, and using a prescribed formula on a specified valuation date, whether as a result of the transfer there is a loss which needs redressing. The calculation takes into account product charges and ongoing advice charges. The methodology deals with any consequential loss and instructs a firm, where appropriate, to include the cost of any initial

charges required on the DC arrangement – for example where the consumer has yet to retire and they are not in an ongoing advice arrangement with any firm. I would not instruct a firm to carry out a separate calculation for the refund of advice fees. The prescribed redress methodology, in my view, is a fair way to establish if a financial loss has been incurred as a result of unsuitable pension transfer advice and, if so, to fairly put things right. And the same applies in Mr B's case.

So, in light of the above and because JKFS has already offered to carry out the prescribed redress calculation to redress non-compliant pension transfer advice, in the circumstances of this particular case, I think this is a fair way to resolve this complaint.

My final decision

I've decided that JKFS (UK) Limited's offer is fair. So, to resolve this complaint, as it offered to do, it should undertake a redress calculation in line with the rules for calculating redress for non-compliant pension transfer advice, as detailed in Policy Statement PS22/13 and set out in the regulator's handbook in DISP App 4.

Compensation should be based on the usual assumptions as per the FCA's guidance, including assumptions around Mr B's normal retirement age. The calculation should be carried out using the most recent financial assumptions in line with PS22/13 and DISP App 4. If the redress calculation demonstrates a loss, I expect JKFS (UK) Limited to deal with matters as explained in PS22/13 and set out in DISP App 4.

JKFS (UK) Limited should provide a copy of the calculation to Mr B. It should also provide us with a copy too.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 May 2026.

Paul Featherstone
Ombudsman