

Complaint

Mr A has complained about the fees and commission paid to Compass Wealth Management Consultants Limited for advice he received in 2010 to transfer his pension benefits. Mr A understood that both the advice and the subsequent transfer would not attract fees, commission or other charges.

Background

In 2010 Mr A transferred his pension benefits to a new provider. The advice was given by Compass. Mr A has said that he accepted the advice on the understanding that no charges, fees or commission would be paid. However, commission, fees and other charges were paid to Compass. Mr A also said that he discovered he could have made the same investments with his existing pension provider.

Compass accepted that *some* of the commission, charges and fees should not have been paid and offered to pay Mr A £1,557.93, together with £200 for the distress and inconvenience caused.

The adjudicator who investigated the complaint concluded that, as Compass had failed to provide a copy of its file, despite repeated requests for it to do so, there was no evidence to show the precise reasons for the advice given to Mr A to transfer his pension benefits. On that basis, the suitability of the advice could not be justified, particularly as Mr A provided the adjudicator with evidence that the investments recommended were available from his existing provider.

The adjudicator recommended that all commission received by Compass should be refunded to Mr A and that in recognition of the distress and inconvenience caused to him, an additional £200 should be paid by Compass to Mr A.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I note that despite repeated requests from this service between March 2013 and July 2013, Compass has neither provided a copy of its file nor responded to the adjudicator's assessment.

Without copies of the documents completed at the time of the advice, it is not possible for me to determine the reasons for the advice and whether it was suitable or not. Although in its final response to Mr A in February 2012 Compass said that the advice was suitable, it has failed to provide evidence showing that the projected benefits of the transfer of Mr A's pension benefits had been properly analysed by the adviser or that the commission and other charges were properly disclosed to Mr A.

In these circumstances, I am entitled to draw whatever inference I think appropriate and reasonable; I may then base my decision on both that inference and on whatever evidence is actually available. I have therefore carefully examined the information obtained from Mr A.

Having done so, I agree with the conclusion reached by the adjudicator and for the same reasons. Compass has not demonstrated that the advice was suitable and no record has

been provided of any fact find or recommendation letter, to explain the reasons for the transfer. The recommended investments were available with Mr A's existing provider and therefore there was no reason for Mr A to incur either additional charges or commission.

my final decision

I uphold this complaint and I direct Compass Wealth Management Consultants Limited to pay Mr A redress as follows:

1. Refund to Mr A all of the fees, charges and commission it has received from 3rd parties in respect of the transfer of Mr A's pension benefits. The refund should include interest at the rate of 8% simple and calculated between the dates the commission was received and the date of settlement. It should provide Mr A with a detailed explanation of the charges, fees and commission being repaid to him.
2. Pay Mr A the amount of £200 for the distress and inconvenience caused by the unnecessary transfer of his pension benefits and the delay in resolving his complaint as a result of Compass not providing this service with relevant information.

Terry Connor
ombudsman