

complaint

Mr G complains the advice he received from AXA Wealth Services Limited to invest in a stocks and shares ISA was unsuitable for him.

background

Mr G invested a lump sum of £10,200 into a stocks and shares ISA on the advice of an AXA adviser in 2011. He now believes this advice was unsuitable to his needs. He says he intended to transfer these funds out the following tax year and the subsequent transfer led to a financial loss.

He complained to AXA but his complaint was rejected so he brought his complaint to this service. Our adjudicator felt the complaint shouldn't succeed. He thought the advice was suitable and there was no evidence to suggest that Mr G had told the adviser he intended to transfer the funds in the following tax year.

Mr G disagreed with this and so the complaint was passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've paid particular attention to the detailed submissions made by Mr G and to the documentation from the point of sale. Having carefully weighed up the evidence, I don't think this complaint should be upheld and I'll explain why.

Mr G has complained about the advice process and the suitability of the advice. I need to decide whether or not I think the recommendation was suitable overall and, if it wasn't whether or not Mr G suffered a financial loss as a result. I recognise that Mr G suffered a loss when he transferred the funds out of the ISA. I understand that this must have been a disappointment for him, but the fact that the funds didn't perform well in hindsight doesn't mean the product wasn't suitable when the recommendation was made.

I've seen an authority to proceed signed by Mr G in 2011 which confirms that he's received the key facts, fact find, financial review, illustrations and product literature. So I believe that if Mr G had any concerns about the detail of those documents he could have raised them at the time. The fact find indicates that Mr G was in his mid thirties with a disposable income of £1,200 per month. He had cash savings of around £175,000 and around £20,000 invested with no liabilities. He had been working in financial services for some time. His investment risk profile was assessed as "balanced managed" and the financial review explains that this means he was looking for a balance of risk and reward. It clearly states that a recommendation on this basis could result in getting back less than you invest. Having considered Mr G's overall circumstances, in particular the fact that the investment was a fairly small proportion of Mr G's assets, I don't think this assessment was unreasonable. The choice of funds appears to match the attitude to risk identified.

Mr G has said that his objective was to fund an ISA before the deadline for tax year 10/11 and then to transfer to a provider who was capable of offering him greater investment flexibility. He said that the timing of when he funded the investment and the subsequent act of transferring the ISA a short time later supports his claim. But I can't see any evidence

that this was raised with the adviser. The product literature that Mr G received clearly states that the investment should be kept for a period of at least five years.

I understand why Mr G has concerns about AXA's advice process in general as he's highlighted an ongoing review. I can see that it was frustrating for him to find he'd made a loss when he transferred the funds out the following year. But I'm not persuaded that the recommendation made to Mr G in this instance was unsuitable for him at the time it was made.

my final decision

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 February 2016.

Susie Alegre
ombudsman