

## **complaint**

Mrs M's representative raised concerns that the investments recommended to her by Liverpool Victoria Friendly Society Limited in 2001 were unsuitable.

The representative said the investments were too high risk for her circumstances, and she was not told to use her full tax free allowance. There were also a number of other concerns regarding her awareness of charges and what she was told the investments could achieve.

## **background**

Following advice in June 2001, Mrs M invested £1,000 (per annum) into a Life ISA, and invested £10,000 into a with profits growth bond. Mrs M paid two annual payments to the ISA.

Both the ISA and the bond were surrendered in April 2010 for £2,383 and £11,722.17 respectively, with the bond incurring a market value reduction (MVR).

Mrs M's representative raised concerns with the business in 2013, which replied stating the investments were not unsuitable.

Initially, when the matter came to this service, the business raised an objection that Mrs M's complaint was too late. The adjudicator considered that the issue was one that we could look at, and the business agreed to waive its objection.

The adjudicator then considered the merits of the complaint, and concluded the investments were suitable for Mrs M's circumstances.

He noted that Mrs M had held with profits investments before, and didn't feel that the bond was unsuitable for her circumstances. He had no concerns with the ISA, which had maximised her tax free allowance without investing in stocks and shares. The adjudicator felt that the risks taken were not beyond those which Mrs M indicated she could accept.

The adjudicator also felt the MVR (which the business confirmed was not being applied at the time of the sale) was documented and didn't make the bond recommendation unsuitable.

Mrs M's representative agreed with the adjudicator's view regarding the ISA. But it disagreed with his assessment of the lump sum bond. And so it asked for this part of Mrs M's complaint be referred to an ombudsman to consider. As a result, the matter has been passed to me to 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. Having done so, I've reached much the same conclusion as the adjudicator and for much the same reasons.

During the course of the complaint, it's been agreed between the parties that Mrs M's ISA was a reasonable recommendation. And so whilst I've taken everything into account, the key issue for me to decide is whether the lump sum invested into the bond was suitable for Mrs M's situation.

I note from the fact find completed before advice was given, that Mrs M was willing to invest £10,000 for a minimum of five years. It records that this left her with sufficient money which was accessible.

Mrs M wished to achieve a higher return from her money rather than just leaving it on deposit. The documents for the bond clearly set out when charges would apply, and that there was the future risk of an MVR being applied.

Whilst it's been said that the investment was too high risk for Mrs M, I feel the fact she had other money and investments mean that her risk was diluted. So overall, I feel unable to say the recommendation was unsuitable.

I realise Mrs M is likely to be disappointed, but my view is that the bond met her requirements at the time.

### **my final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 30 October 2015.

Ross Hammond  
**ombudsman**