

complaint

Mr M complained about the advice he received from Financial Planning & Investment Limited (FP&I), to transfer his final salary pension scheme and the lack of subsequent investment advice.

background

This complaint was investigated by one of our adjudicators. He wrote to Mr M in July 2015, setting out his reasons for not upholding the complaint. He concluded that:

- Although FP&I was unable to provide a transfer analysis report regarding the transfer from the final salary scheme, it had told us that following Mr M's appointment as a Sales Director he was eligible to become a member of his company's small self-administrated scheme (SSAS) pension.
- From the information provided by FP&I, Mr M was keen to be a member of the SSAS and transfer his pension plans to the scheme. He had accrued 2 years 5 months pensionable service in his final salary scheme and his attitude to investment risk was rated to be 8 on a scale of 1-10 where 10 indicated high risk.
- Taking into account his circumstances when the final salary scheme was transferred, which included Mr M's appointment as a director, it was likely Mr M would have been inclined to join the scheme.
- Mr M had accrued 2 years 5 months pensionable service. The benefits from the final salary pension scheme would have only accounted for a small part of his overall pension income, he had 13 years to the final salary scheme's normal retirement date and his attitude to investment risk was high. Based on this information, although a transfer analysis was not undertaken, had it been, the adjudicator's opinion was that the transfer would have been recommended.

Mr M did not agree with the adjudicator's findings and requested that his complaint should be reviewed. In summary he made the following points:

- The portfolio adopted on his behalf was all bonds and did not fit into the high risk category. Therefore he was not appropriately advised to his attitude to investment risk.
- There was no investment risk evaluation undertaken, so the decision to rate his attitude as 'high risk' was flawed.
- He deeply resented the implication by FP&I that his pension fund performance could be reviewed by any other third party.
- He understood other members of the SSAS had similar complaints upheld and Mr M did not consider his complaint was different to theirs.
- *"Ultimately FP&I gave no financial advice to me whatsoever, nor did they provide me with ant information (written or verbal) about where they invested my money – they simply took my money and did what they wanted –There was no attempt to review my fund performance with me at any stage. Not one piece of information, or financial advice was ever provided by FP&I."*

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusion as the adjudicator.

In its business submission, FP&I have indicated that Mr M was keen to be a member of the SSAS and transfer any policies in his name into the SSAS. Mr M wanted to be in the scheme on the same basis as a business colleague. I am of the view he chose to join the scheme and transfer his final salary pension scheme benefits.

An ombudsman at the Financial Ombudsman Service has to operate under the rules that are set out in the regulator's rule book. In particular the rule book sets out what complaints an ombudsman can or cannot look at. The rules in force at the time of the complaint being made to this service state that transfers of the rights under one occupational pension scheme to another occupational pension scheme cannot be investigated by this service. As a SSAS is deemed to be an occupational pension scheme I cannot consider the transfer from the occupational pension scheme to the SSAS.

FP&I was aware later that Mr M's investments in the SSAS had reduced in value, but when it approached the SSAS trustees to discuss this situation the offer was declined.

In the circumstances I cannot hold the business responsible for the fall in value of the investments or the lack of ongoing advice as this was offered to but declined by the trustees.

my final decision

I do not uphold this complaint against Financial Planning & Investment Limited and I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 15 February 2016.

Adrian Hudson
ombudsman