Financial Ombudsman Service

complaint

Mrs B's complaint against Universal Wealth Management LLP (Universal) is that it gave her unsuitable advice to invest part of her pension fund in the Connaught Series One Income fund and True Gold investments.

background

I issued my provisional decision on this complaint on 10 February 2016. The background and circumstances to the complaint, and the reasons for my provisional finding which was to uphold the complaint were set out in that decision. A copy is attached and it forms part of this final decision.

I invited both parties to provide any further evidence or arguments that they wanted me to consider before I made my final decision.

Mrs B said that he accepted my provisional decision and had nothing further to add.

Universal said that it had no further points to make.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I see no reason to depart from my provisional decision to uphold the complaint.

my final decision

Accordingly, for the reasons outlined in my provisional decision (attached), my final decision is that I uphold this complaint.

Where I uphold a complaint, I can make a money award requiring a financial business to pay compensation of up to £150,000, plus any interest and/or costs that I consider appropriate. If I consider that fair compensation exceeds £150,000, I may recommend the business to pay the balance.

fair compensation

In assessing what would be fair compensation, I consider that my aim should be to put Mrs B as close to the position she would probably now be in if she had not been given unsuitable advice.

I take the view that Mrs B would have invested differently. It is not possible to say *precisely* what she would have done differently. But I am satisfied that what I have set out below is fair and reasonable given Mrs B's circumstances and objectives when she invested.

what should Universal do?

To compensate Mrs B fairly, Universal must compare the performance of Mrs B's two investments with that of the benchmark shown below.

The compensation payable is the difference between the *fair value* and the *actual value* of the investment. If the *actual value* is greater than the *fair value*, no compensation is payable.

Universal should also pay any interest, as set out below.

A separate calculation should be carried out for each investment. The starting value for the True Gold investment should be £87,500. That is the £100,000 less the 5% (of the total SIPP value of about £250,000) that could have been suitably recommended.

investment name	status	benchmark	from ("start date")	to ("end date")	additional interest
Connaught Series One Income Fund	still exists	for half the investment: FTSE WMA Stock Market Income Total Return Index; for the other half: average rate from fixed rate bonds	date of investment	date of my decision	8% simple p.a. from date of decision (if compensation is not paid within 28 days of the business being notified of acceptance)
True Gold	still exists	FTSE WMA Stock Market Growth Total Return Index	date of investment	date of my decision	8% simple p.a. from date of decision (if compensation is not paid within 28 days of the business being notified of acceptance)

for each investment:

actual value

The investment in the Connaught fund currently has no realisable value. So, for the purposes of the calculation, the actual value should be assumed to be zero. The FCA announced that it is to investigate the operators of the Connaught Income Fund. It has said that it has not reached any conclusion that any wrongdoing has occurred. But that is one of the possible outcomes of its investigation. So it's possible that some compensation might be payable in relation to Mrs B's holding in the Connaught fund. I therefore think it reasonable to make allowance for this possibility.

It's also possible that some other return might be paid from the Connaught Fund. So, in exchange for the compensation payable by Universal, Mrs B should agree to transfer her holding in the fund to it, if possible, to allow it to benefit from any compensation or other payment that might be made in relation to the holding. If it's not possible to transfer the investment, Mrs B should give an undertaking to Universal to repay to it any amount she may receive in relation to the investment in future, whether it is a compensation payment or any other sort of return.

In respect of True Gold, my aim is to return Mrs B to the position she would have been in but for the unsuitable advice. This is complicated where an investment is illiquid (that is could not be readily sold on the open market). It would be difficult to know the *actual value* of the investment. If this is the case here, the *actual value* should be assumed to be nil to arrive at fair compensation. Universal should take ownership of the illiquid investment by paying a commercial value acceptable to the pension provider. This amount should be deducted from the total payable to Mrs B and the balance be paid as I set out below.

If, in these circumstances, Universal is unwilling or unable to buy the True Gold investment the *actual value* should be assumed to be nil for the purpose of calculation. Universal may wish to require that Mrs B provides an undertaking to pay Universal any amount she may receive from the investment in True Gold in the future.

fair value

This is what the two investments would have been worth at the end date had they produced a return using the benchmarks.

Any withdrawal, income or other payment out of the investment should be deducted from the *fair value* at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there are a large number of regular payments, to keep calculations simpler, I will accept if Universal totals all those payments and deducts that figure at the end instead of deducting periodically.

how to pay compensation?

If there is a loss, Universal should pay such amount as may be required into Mrs B's pension plan, allowing for any available tax relief and/or costs, to increase the pension plan value by the total amount of the compensation and any interest.

If Universal is unable to pay the total amount into Mrs B's pension plan, it should pay that amount direct to her. The amount should be reduced to notionally allow for the income tax that would otherwise have been paid.

The notional allowance should be calculated using Mrs B's marginal rate of tax at retirement. For example, if Mrs B would be a basic rate taxpayer at retirement and that rate would 20%, the *notional* allowance for tax would equate to a 20% reduction in the total amount. At retirement she would have been able to take 25% as a tax-free lump sum but the remaining 75% would have been subject to income tax at her marginal rate of tax. So the *notional* allowance for tax would equate to a 15% reduction in the total amount (20% on 75%).

why is this remedy suitable?

I have decided on this method of compensation because Mrs B wanted capital growth and was willing to accept some investment risk with part of her capital.

- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to her capital.

- The WMA Stock Market Income Total Return Index is made up of diversified indices representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return.

- In respect of the Connaught Income Fund I consider that Mrs B's risk profile was in between, in the sense that she was prepared to take a lower level of risk to attain her investment objectives. So, the 50/50 combination would reasonably put her into that position. It does not mean that Mrs B would have invested 50% of her money in a fixed rate bond and 50% in some kind of index tracker investment. Rather, I consider this a reasonable compromise that broadly reflects the sort of return Mrs B could have obtained from investments suited to her risk attitude.

- The WMA Stock Market Growth Total Return Index allows me to use it as a reasonable measure of comparison in respect of the True Gold investment. It would be a fair measure for someone who was prepared to take significant risk in order to get a higher return.

- Mrs B has not yet used her pension plan to buy an annuity.

determination and award: I uphold the complaint. I consider that fair compensation should be calculated as set out above. My decision is that Universal Wealth Management LLP should pay Mrs B the amount produced by that calculation – up to a maximum of £150,000 plus any interest set out above.

recommendation: If the amount produced by the calculation of fair compensation exceeds £150,000, I recommend that Universal Wealth Management LLP pays Mrs B the balance plus any interest on the balance as set out above.

This recommendation is not part of my determination or award. It does not bind Universal. It is unlikely that Mrs B can accept my decision and go to court to ask for the balance. Mrs B may want to consider getting independent legal advice before deciding whether to accept this decision.

If Universal does not pay the recommended amount, then any investment currently illiquid should be retained by Mrs B. This is until any future benefit that she may receive from the investment together with the compensation paid by Universal (excluding any interest) equates to the full fair compensation as set out above.

Universal may request an undertaking from Mrs B that either she repays to it any amount she may receive from the investment thereafter or if possible she transfers the investment at that point. However, any undertaking from Mrs B should apply only to such amounts as might be received that together with the compensation paid by Universal exceed the full fair compensation as set out above.

Mrs B should be aware that any such amount may be paid into her pension plan so she may have to realise other assets in order to meet the undertaking.

Universal should provide details of its calculation to Mrs B in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs B to let me know whether she accepts or rejects my decision before 8 April 2016.

David Ashley
ombudsman

copy of provisional decision

complaint

Mrs B's complaint against Universal Wealth Management LLP is that it inappropriately advised her to invest part of her pension fund in the Connaught Series One Income fund and True Gold Investments.

background

In late 2011 Universal advised Mrs B to invest a total of £150,000 in the two investments. The investments were part of her self-invested pension plan (SIPP) which had a value of about £250,000.

Mrs B had been introduced to Universal by her adviser in order to access investments not available with her existing pension provider. At the time of the advice Mrs B was in her early sixties. She was a director of her own limited company. Her business was valued at £1 million. And she had a half share in other investments of about £200,000. She was recorded as an investor with an adventurous risk profile. And the firm that had introduced Mrs B to Universal had assessed her risk as 7/10 on a scale of 1-10 (10 representing highest risk). She had no plans to retire immediately and wanted to grow her pension fund as much as possible.

The adjudicator who investigated the complaint thought that the advice was unsuitable. He said that the Connaught Fund was an unregulated collective investment scheme (UCIS) and that Mrs B didn't meet the definition for a high net worth client or sophisticated investor. And True Gold was also an unregulated investment, and Mrs B had put 40% of her pension fund into that investment. The adjudicator thought that Mrs B had been advised to invest too high a proportion of her SIPP into these two funds.

Universal didn't agree. In summary, it said:

- Mrs B signed a self-certified sophisticated investor certificate. She also met the definition of a high net worth individual because her shares in her own company exceeded £250,000 in value. She also had other assets that hadn't been valued. As such, her net assets were within the value required for a high net worth individual.

- Mrs B wanted to take a high risk with her pension fund. The investments aimed to achieve the growth Mrs B required so that her pension fund could reach a value of £1 million. At no point did Universal hide the risks of these unregulated investments.

- The Connaught fund was chosen because it was secured against property and so had an alleged level of security. Indeed, the previous regulator was involved on a monthly basis with the underlying fund reporting.

- True Gold aimed for a 10% return on each trading cycle of 60 days.

- Universal didn't promote the investments to Mrs B. The initial promotion was done by her adviser. Universal was appointed to only advise on the risk of the investments.

- A cautious investment approach would not have given Mrs B the potential to meet her stated objective. The SIPP had liquid funds available to meet any tax free cash and income needed.

- Regulated gold funds were available but these were typically based upon the change in the value of gold or gold mining company shares. Given the high risk growth approach Mrs B wished to take, these funds were unlikely to meet her needs.

Mrs B has said the following:

- At the time of the advice she thought that high risk investments were investments similar to the ones she had invested before in her portfolio. She didn't realise that these were unregulated investments. During the advice process Universal's focus was more upon the potential returns.

- Although she signed a certificate confirming she was a sophisticated investor she didn't understand what one was. It was never explained to her what was signed.

- She wanted to invest in True Gold as she thought that it was a safe and certain investment. This was how it was marketed to her. She thought she was actually investing in gold.

- She didn't recall stating an intended target for her pension fund. She did, however, point out her intention to retire as one of her main objectives.

my provisional findings

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

I note that Mrs B was initially introduced to these investments by her adviser, not Universal. This is shown in a note completed by the adviser, which said that *"After giving information only and referring* [Mr and Mrs B] *to Universal, they were interested to invest a major part of the pensions in these funds."*

But whilst the possibility of investing in these funds may have initially been raised by an adviser from another firm who introduced Mrs B to Universal, it was still Universal's responsibility to ensure its advice was suitable.

The promotion of UCISs is restricted. The rules relating to this explain that UCIS can only be promoted to certain investors in specified ways. Mrs B didn't sign the relevant statement required to certify that she was a high net worth individual – albeit she *may* have qualified as an investor to whom the UCIS could be promoted given her net worth. The firm has also said that Mrs B signed to say she was a sophisticated investor. And that she met the criteria to do so as she was a director of a company with a turnover of over £1 million a year. It's provided calculations of its estimates of the company turnover.

However even if the company turnover was over the £1 million, the key point for me to decide is whether the advice given was suitable to Mrs B given her objectives and circumstances at the time – not whether the funds should have been promoted to her.

It was recorded that Mrs B had, overall, an adventurous attitude to risk. And in my view she had the capacity to accept some risks with her money. However, the suitability letter for the Connaught fund said that Mrs B was *"looking for a lower risk investment"* and was *"…seeking more cautious income generating investments for this money."* So I think for this particular money (the £50,000) she wanted a lower risk.

The Financial Services Authority (FSA) issued a warning about the risks of the Connaught Fund in May 2011. It said it had concerns that it was described as low or very low risk. It said that investors' advisers should understand how the funds work. And that investors should discuss with their advisers whether there were other alternative products that would meet their needs and which gave protection of the Financial Services Compensation Scheme.

As the adjudicator explained, the FSA had previously said that it considered UCISs as having a high degree of volatility, illiquidity or both. So it considered it was usually regarded as a speculative investment and, in practice, rarely regarded as suitable for more than a small share of an investor's portfolio. A report published by the FSA in July 2010 about the sale of UCISs suggested that good industry practice would be to limit investment in UCIS to between 3% and 5% of a portfolio.

Universal gave its advice in November 2011. So this was sometime after the FSA report about UCIS and the warning about the Connaught Fund. Mrs B was advised to invest £50,000 in Connaught, which was about 20% of her overall SIPP value. And she invested a further £100,000 in another unregulated investment (about 40%). So overall she was advised to invest over 60% of her SIPP in two unregulated funds.

The True Gold fund was targeted to provide annual returns of 40%. It traded AU gold from small scale and medium sized licensed mines and concessions in Ghana. It clearly represented significant risks and didn't have the protections offered by regulated funds.

We are aware that some of the literature provided by Connaught in relation to the fund described it as "low risk". But opinions about risk do not, in my view, constitute "information" – in the context of the reliance on others rule, "information" refers to facts, not opinions, such as assessments of risk. The duty of a business to advise on the suitability of investments cannot be delegated to, or discharged by reliance on others. It was for the business to reach its own view on the risk associated with the investment, and ensure its suitability for the consumer.

And in my view the information available to the firm at the time should have alerted it that the Connaught Fund didn't represent the same risks as cash. Risk and return are invariably linked. The fund was designed to generate a fixed return for investors of over 8%. This was at a time when the Bank of England base rate was 0.5% and was disproportionally higher than term deposit rates and bond yields. I think even at face value this disparity ought to have alerted an adviser to the fact that this was highly unlikely to be low risk. Particularly in light of the warning from the FSA.

This was a specialist fund involving bridging finance. It had a complex structure with several parties involved. The fund had a narrow focus and clearly had significant liquidity risks. The money invested with typical terms of up to 9 months. Borrowing money from investors who need to give 1 months' notice and lend this to borrowers for periods up to 9 months has the potential for liquidity problems. Also the fact that the fund was unregulated meant it had additional risks in itself, such as lack of regulatory protections, and was not just confined to investment risk.

Mrs B was willing to accept a higher risk with £100,000. She wanted a lower risk with the £50,000. But even in the context that Mrs B wanted to take a higher risk with some of her money, it was the firm that was the expert in the matter. In my view it should have applied the well-known principles of diversification in order to manage the risks involved. Particularly in limiting the exposure to unregulated investments and their additional risks. Given Mrs B was approaching retirement date and the potential illiquidity of the funds chosen, diversification would also have provided a safeguard where illiquidity became an issue. In my view the advice to invest £150,000 in two unregulated investments – representing over 60% of the SIPP value, wasn't suitable in the circumstances.

As I consider that Mrs B was advised inappropriately, I have to consider whether the firm's failures caused the losses that Mrs B has claimed.

There may have been shortcomings in the management of the Connaught fund. Some of the parties involved have been accused of acting fraudulently. But I am not in a position to make any comment about the conduct of those involved in the management of the fund or any other parties involved with it. No complaint has been brought against any other party – we have only been asked to consider the complaint against Universal.

A court might conclude that Mrs B's losses from the Connaught fund don't flow directly from the poor advice. And on this basis, a court might not require the firm to compensate Mrs B – notwithstanding the breach of duty. But in assessing fair compensation, I'm not limited to the position a court might take.

If fraud did take place (and, as mentioned, I am not in a position to say this), it may be there has been a break in the 'chain of causation'. That might mean it wouldn't be fair to say that all of the losses suffered by a consumer flow from the firm's failures. That will depend on the particular circumstances of the case. No liability will arise for an adviser who has given suitable advice even if fraud later takes place. But the position is different where the consumer wouldn't have been in the investment in the first place without the unsuitable advice. In that situation, it may be fair to assess compensation on our usual basis – aiming to put the consumers in the position they would have been in if they'd been given suitable advice.

In this particular case, I conclude that it would be fair and reasonable to make an award, given the specific circumstances. This is notwithstanding arguments about a break in the "chain of causation" and the "remoteness" of the loss from the (poor) advice given. Had it not been for Universal's unsuitable advice, Mrs B wouldn't have made the investments. And I think the advice to invest over 60% of her SIPP in two unregulated investments completely disregarded Mrs B's interests. Mrs B was in her 60s and was approaching retirement date – albeit she may not have wanted to take all her pension benefits in one go on reaching retirement.

In these circumstances, I think that it's fair and reasonable to hold Universal responsible for the whole of the loss suffered by Mrs B. I will, however, make allowance for the possibility of some of their money being returned to her in the future.

If Universal believes other parties to be wholly or partly responsible for the loss, it's free to pursue them. I realise it may not have the resources to do so. But I don't think that should mean that Universal should only compensate Mrs B now for part of the losses she's suffered (or none at all). I'm aware that the FCA announced that it was investigating the operators of the Connaught Income Fund. The possibility of a compensation payment arising from the FCA's work is considered in the 'fair compensation' section below. And also any compensation that the liquidators of the Connaught Fund may obtain. If Mrs B is compensated in full now, Universal should benefit from these payments if they're made. I've therefore made allowance for this in my compensation award below.

So in summary, Mrs B was willing to accept a higher degree of risk with £100,000 of her SIPP money and a lower risk with £50,000. The True Gold fund was speculative and unregulated. And the Connaught fund didn't provide the lower risk counterbalance that Mrs B required. It also presented appreciable risk and was unregulated.

In my view given Mrs B did want to take a higher risk with the £100,000 and had the capacity to accept such risks, I think it would have been reasonable for her to have invested a small proportion of her SIPP in that fund – about 5%. My understanding is that the SIPP value was about £250,000 at the time so around £12,500.

But I'm not persuaded it was suitable advice to invest the remainder in the two funds recommended. In my view the recommendation lacked diversification thereby increasing the degree of risk (given the amount invested in the True Gold fund if it failed (which was a material risk) there would be a significant impact on the whole SIPP), and given the illiquidity risks associated with these unregulated funds. The Connaught fund was also unsuitable to provide the lower risk balance to the £100,000 to be invested adventurously. In my view, if Universal considered that Mrs B should invest in True Gold and Connaught, then she should have been advised to invest a small part as explained above and invest the remaining part in other, regulated investments, suitable to her adventurous and lower risk requirements.

my provisional decision

Accordingly, my provisional decision is to uphold this complaint.

Where I uphold a complaint, I can make a money award requiring a financial business to pay compensation of up to £150,000, plus any interest and/or costs that I consider appropriate. If I consider that fair compensation exceeds £150,000, I may recommend the business to pay the balance.

fair compensation

In assessing what would be fair compensation, I consider that my aim should be to put Mrs B as close to the position she would probably now be in if she had not been given unsuitable advice.

I take the view that Mrs B would have invested differently. It is not possible to say *precisely* what she would have done differently. But I am satisfied that what I have set out below is fair and reasonable given Mrs B's circumstances and objectives when she invested.

what should Universal do?

To compensate Mrs B fairly, Universal must compare the performance of Mrs B's two investments with that of the benchmark shown below.

The compensation payable is the difference between the *fair value* and the *actual value* of the investment. If the *actual value* is greater than the *fair value*, no compensation is payable.

Universal should also pay any interest, as set out below.

A separate calculation should be carried out for each investment. The starting value for the True Gold investment should be £87,500. That is the £100,000 less the 5% (of the total SIPP value of about £250,000) that could have been suitably recommended.

investment name	status	benchmark	from ("start date")	to ("end date")	additional interest
Connaught Series One Income Fund	still exists	for half the investment: FTSE WMA Stock Market Income Total Return Index; for the other half: average rate from fixed rate bonds	date of investment	date of my decision	8% simple p.a. from date of decision (if compensation is not paid within 28 days of the business being notified of acceptance)
True Gold	still exists	FTSE WMA Stock Market Growth Total Return Index	date of investment	date of my decision	8% simple p.a. from date of decision (if compensation is not paid within 28 days of the business being notified of acceptance)

for each investment:

actual value

The investment in the Connaught fund currently has no realisable value. So, for the purposes of the calculation, the actual value should be assumed to be zero. The FCA announced that it is to investigate the operators of the Connaught Income Fund. It has said that it has not reached any conclusion that any wrongdoing has occurred. But that is one of the possible outcomes of its investigation. So it's possible that some compensation might be payable in relation to Mrs B's holding in the Connaught fund. I therefore think it reasonable to make allowance for this possibility.

It's also possible that some other return might be paid from the Connaught Fund. So, in exchange for the compensation payable by Universal, Mrs B should agree to transfer her holding in the fund to it, if possible, to allow it to benefit from any compensation or other payment that might be made in relation to the holding. If it's not possible to transfer the investment, Mrs B should give an undertaking to Universal to repay to it any amount she may receive in relation to the investment in future, whether it is a compensation payment or any other sort of return.

In respect of True Gold, my aim is to return Mrs B to the position she would have been in but for the unsuitable advice. This is complicated where an investment is illiquid (that is could not be readily sold on the open market). It would be difficult to know the *actual value* of the investment. If this is the case here, the *actual value* should be assumed to be nil to arrive at fair compensation. Universal should take ownership of the illiquid investment by paying a commercial value acceptable to the pension provider. This amount should be deducted from the total payable to Mrs B and the balance be paid as I set out below.

If, in these circumstances, Universal is unwilling or unable to buy the True Gold investment the *actual value* should be assumed to be nil for the purpose of calculation. Universal may wish to require that Mrs B provides an undertaking to pay Universal any amount she may receive from the investment in True Gold in the future.

fair value

This is what the two investments would have been worth at the end date had they produced a return using the benchmark.

Any withdrawal, income or other payment out of the investment should be deducted from the *fair value* at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there are a large number of regular payments, to keep calculations simpler, I will accept if Universal totals all those payments and deducts that figure at the end instead of deducting periodically.

how to pay compensation?

If there is a loss, Universal should pay such amount as may be required into Mrs B's pension plan, allowing for any available tax relief and/or costs, to increase the pension plan value by the total amount of the compensation and any interest.

If Universal is unable to pay the total amount into Mrs B's pension plan, it should pay that amount direct to her. The amount should be reduced to notionally allow for the income tax that would otherwise have been paid.

The notional allowance should be calculated using Mrs B's marginal rate of tax at retirement. For example, if Mrs B would be a basic rate taxpayer at retirement and that rate would 20%, the *notional* allowance for tax would equate to a 20% reduction in the total amount. At retirement she would have been able to take 25% as a tax-free lump sum but the remaining 75% would have been subject to income tax at her marginal rate of tax. So the *notional* allowance for tax would equate to a 15% reduction in the total amount (20% on 75%).

why is this remedy suitable?

I have decided on this method of compensation because Mrs B wanted capital growth and was willing to accept some investment risk with part of her capital.

- The average rate for the fixed rate bonds would be a fair measure for someone who wanted to achieve a reasonable return without risk to her capital.

- The WMA Stock Market Income Total Return Index is made up of diversified indices representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return.

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- The WMA Stock Market Growth Total Return Index allows me to use it as a reasonable measure of comparison in respect of the True Gold investment. It would be a fair measure for someone who was prepared to take significant risk in order to get a higher return.

- Mrs B has not yet used her pension plan to buy an annuity.

determination and award: I uphold the complaint. I consider that fair compensation should be calculated as set out above. My decision is that Universal Wealth Management LLP should pay Mrs B the amount produced by that calculation – up to a maximum of £150,000 plus any interest set out above.

recommendation: If the amount produced by the calculation of fair compensation exceeds £150,000, I recommend that Universal Wealth Management LLP pays Mrs B the balance plus any interest on the balance as set out above.

This recommendation is not part of my determination or award. It does not bind Universal. It is unlikely that Mrs B can accept my decision and go to court to ask for the balance. Mrs B may want to consider getting independent legal advice before deciding whether to accept this decision.

If Universal does not pay the recommended amount, then any investment currently illiquid should be retained by Mrs B. This is until any future benefit that she may receive from the investment together with the compensation paid by Universal (excluding any interest) equates to the full fair compensation as set out above.

Universal may request an undertaking from Mrs B that either she repays to it any amount she may receive from the investment thereafter or if possible she transfers the investment at that point. However, any undertaking from Mrs B should apply only to such amounts as might be received that together with the compensation paid by Universal exceed the full fair compensation as set out above.

Mrs B should be aware that any such amount may be paid into her pension plan so she may have to realise other assets in order to meet the undertaking.

Universal should provide details of its calculation to Mrs B in a clear, simple format.

David Ashley
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