

complaint

Mr Y has complained that Pearson Jones PLC (Pearson) should not have taken charges of £1,993.78 directly from his pension fund as he had not received the level of service expected.

background

Mr Y was a client of Pearson for many years. From around 2012 he became unhappy at the service they provided and sought new advisers towards the end of 2014.

Mr Y held a number of investments with Pearson. The majority of these were released at the end of 2014 with a smaller sum left of approximately £6,000.

On 4 March 2015, Pearson wrote to Mr Y to inform him that the majority of his funds had been transferred, less the £6,000 remaining in his pension. Pearson also informed Mr Y that he still owed £1,993.78 in fees related to his pension. Mr Y was informed that this fee would either be paid at the end of the week from the remaining sums left in the pension or that Mr Y could contact Pearson and arrange payment directly. Mr Y did not contact Pearson and the sum was taken from the pension.

Pearson carried out six-monthly reviews for Mr Y for the periods ending 31 January and 31 July. These reviews were then followed up by a review letter. The cost of the review was 0.5% of the pension fund value. The fee of £1,993.78 correctly represented 0.5% of the fund value and related to the review carried out on 31 July 2014. Mr Y was informed of the fee amount in the review letter dated 17 September 2014.

The fee structure was agreed between Mr Y and Pearson in a Wealth Management Client Agreement and a Client Fee Agreement.

The complaint was investigated by one of our adjudicators who considered the complaint should not be upheld on the basis that Pearson had a fee that was payable to them. Pearson had informed Mr Y that they would be taking the sum and it was reasonable for them to take that amount from Mr Y's pension fund.

Mr Y did not agree with the outcome. He told the adjudicator that it was not the level of fee that he was complaining about but the fact that he had to pay for a poor level of service after having to chase Pearson on the telephone to produce the six-monthly reviews.

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've come to the same conclusions as the adjudicator, and broadly for the same reasons.

Pearson charged a half yearly fee of 0.5% of the value of the pension portfolio. The fee was for the work completed by the business in undertaking six-monthly reviews of the pension portfolio. Mr Y had signed the Wealth Management Client Agreement which set out the fees.

I have considered the half yearly reviews along with the follow up letters for the period in question and in previous reviews. The reviews appear to me to take the same format. The

reviews were completed and these were followed up in writing. In previous years the fee had been paid from Mr Y's pension cash account.

I do not dispute Mr Y felt unhappy with the service he received from Pearson. This is evidenced in his decision to move advisers at the end of 2014. However, I am satisfied that Pearson acted within the client agreement and that the reviews were completed within reasonable timescales. The period ending 31 January 2014 was followed by a letter to Mr Y dated 3 March 2014. The period ending 31 July 2014 was followed by a letter to Mr Y dated 17 September 2014. The reviews of Mr Y's portfolio for the end of each period would have taken time to enable Pearson to be in a position to produce a report on the status of the portfolio and further recommendations as required.

I am satisfied that Pearson reviewed Mr Y's portfolio as agreed and they were entitled to the fee for the period ending 31 July 2014 just as they were entitled to the previous fees which had been paid over the years.

When Mr Y did not pay the fee personally, Pearson took the fee from Mr Y's pension. As they let Mr Y know that was what they would do in the event of non-payment it would appear to me that this was fair and reasonable.

my final decision

For the reasons given above, I do not uphold Mr Y's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Y to accept or reject my decision before 5 February 2016.

Benjamin Taylor
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