DRN-4351352

The complaint

Mr M complains about the service and advice received from WPS Advisory Ltd (WPS) regarding the potential transfer of his occupational defined benefit (DB) pension.

Mr M has stated that the service and advice provided to him by WPS did not meet his expectations and that proper financial advice was not provided at the time it was required. This led to stress and confusion as to how Mr M should proceed with his retirement planning.

What happened

WPS issued their welcome letter to Mr M on 24 September 2021. This confirmed advice on his DB scheme was being offered and paid for by his employer.

The telephone appointment with WPS took place on 23 November 2021.

During this call Mr M's retirement objectives, investment experience and various retirement solutions were discussed in general terms. This included drawdown pensions and annuity options. A risk profile questionnaire was to be provided via email after this appointment with Mr M being asked to complete and return this. The adviser asked if Mr M had any further questions with none raised at that time.

On 14 January 2022 Mr M emailed WPS seeking clarification on the probable timescales to transfer the pension pot and the fees involved.

There followed several emails where the charges were discussed in detail as well as the potential role a discretionary fund manager may play in any eventual transfer.

A further call between Mr M and WPS was conducted in February 2022.

This started with Mr M confirming that he was still unsure what he wanted to do. The adviser confirmed that based on his retirement objectives both retaining the DB scheme and transferring would meet Mr M's needs. As such, unless Mr M had a strong reason or desire to transfer, the advice would likely be to remain in the DB scheme.

Additional discussions were held about a drawdown account, the potential investment returns a transfer may provide, and the fees that would be payable for this. In addition to a drawdown solution, annuities were also discussed on this call.

It was confirmed that there was a deadline on the current transfer value of 1 April 2022, and it was explained that it would take a few weeks to finalise the advice reports should Mr M conclude that he wanted to progress with a transfer. It was left for Mr M to think about what had been discussed and contact WPS when he had decided what he wanted to do.

The 1 April 2022 deadline passed with no further contact from Mr M.

WPS contacted Mr M on 15 July 2022 to ask if he needed any further assistance with his retirement planning. There was no response from Mr M to this email and as such WPS issued their advice report to Mr M based on the information on file. This was done on

22 July 2022.

This confirmed that the WPS advice was to retain the DB scheme and access benefits at retirement. This advice was based on the fact that Mr M could meet his retirement needs whilst retaining the DB scheme and not exposing his pension fund to investment risk. It was also confirmed that the DB scheme itself was paying for Mr M's advice, there would be no further cost to Mr M, however any further advice would be chargeable and subject to a new client agreement.

In January 2023 Mr M contacted WPS for more information about annuities however was informed that this would be considered new advice and be chargeable. Mr M chose not to proceed with new advice and registered a complaint.

A complaint response was issued by WPS on 10 February 2023.

This stated that the complaint was not being upheld. WPS stated that they believed their adviser had acted reasonably, and that over the November 2021 and February 2022 calls they had been clear about the potential options, been clear at the end of each call around timescales and next steps, and that given the information they had available they considered it reasonable to issue their advice letter in July 2022.

Mr M rejected this outcome and stated that he considered the seven-week wait for his November 2021 discussion with the adviser too long, a SIPP solution that was of interest to him was not discussed in sufficient detail, that the charges information should have been clearer and that whilst annuities were discussed this conversation was too generic with no specific figures given.

On 1 March 2023 WPS responded to Mr M's complaint. WPS apologised for the initial delay between Mr M contacting them and his appointment with the adviser. Whilst this wait was longer than expected, WPS explained that they had significant engagement with the advice offering, increased levels of staff sickness due to Covid, and office closures for deep cleaning (due to Covid), all of which impacted their efficiency.

Regarding Mr M's desire for a SIPP, WPS stated that self-investment of a fund value of around £800,000 was only likely to be recommended to someone with a professional background in investments, and that whilst Mr M had built up around £150,000 of investments over his working life, his pension fund was considered materially different. As such it would have been likely some form of investment management would have been recommended had the transfer itself been advised.

With respect to the fees payable for advice, WPS explained that the initial advice was paid for by Mr M's employer with any subsequent advice being paid for by Mr M, and stated that this was clearly noted in the July 2022 advice report. WPS apologised that the adviser did not make this clear to Mr M at the time.

Unhappy with the response provided Mr M referred his complaint to this service in April 2023.

Our investigator looked into things and issued findings stating that they did not believe WPS had done anything wrong.

Having listened to the November 2021, February 2022, and January 2023 calls between Mr M and WPS, as well as assessing the content of the July 2022 advice report, our investigator concluded WPS had acted reasonably given the level of engagement from Mr M and the information they had available.

Mr M did not agree, repeating the point that he did not believe his desire for a SIPP was given enough consideration by the adviser at the time. As such the case has been passed to me.

What I've decided – and why

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

With regard to the time taken for the first telephone appointment to take place, whilst I appreciate the seven-week wait was longer than expected, it has to be noted that the transfer value being considered at this time was guaranteed until April 2022. As such there remained significant time for the full advice process to be completed before a new transfer value was required. Whilst this delay may have impacted Mr M's opinion of WPS, I do not consider this to be a material concern in this case with the apology offered by WPS sufficient to rectify any issue.

Having listened to the November 2022 call, I do not believe there are any areas of significant concern. Mr M's circumstances and objectives were discussed appropriately and whilst Mr M has stated that the adviser seemed too interested in his other investments, I consider this discussion entirely reasonable. It is important for an adviser to understand a consumer's circumstances and their investment experience. Establishing what other investments Mr M had, how he had purchased these, where they were held, and how he had seen them perform is all key information in establishing what level of investment experience Mr M had.

Mr M also noted that a SIPP solution that was of interest to him was not discussed in sufficient detail, that whilst annuities were discussed this conversation was too generic with no specific figures given, and that the charges information should have been clearer.

I accept that there was a lack of specific detail around the various options open to Mr M during this call, however I do not believe this was an inappropriate approach. Specifics around the options would not have been possible given the lack of information available. Actual annuity quotes would not be available without health questions being answered, whilst specific recommendations regarding alternative pensions (such as a SIPP) and investment solutions would require risk profile questions – which again had not been completed at that time.

Overall, the call covered everything I would expect with Mr M given the opportunity to ask any further questions he may have. Whilst Mr M has stated that the option of a SIPP was not covered in detail, the adviser did not rule this out as an option, with Mr M not taking the opportunity to ask further questions around this when given the chance.

This call was ended on the understanding that risk profile questions would be completed and submitted by Mr M, with a follow up call taking place once Mr M had given further consideration to his options.

Whilst detail on charges was not covered specifically within the November 2021 call, this was clarified via email prior to the February 2022 call where the available options were discussed again.

During this second call the adviser was clear that Mr M could meet his retirement objectives by both remaining in the DB scheme or transferring. As such, the adviser was correct to note that without a strong opinion from Mr M as to a preferred option, it was likely the advice would be to remain in the DB scheme.

The deadline for making a decision was outlined with the adviser again leaving it to Mr M to consider his options. I consider it a reasonable approach to take given Mr M's lack of clarity as to what he wished to achieve.

The advice documentation issued in July 2022 reflects the content of the previous calls. It confirms that Mr M could meet his retirement objectives without exposure to risk and as such, without any strong reasons or opinions from Mr M to indicate otherwise, the advice was to retain the existing DB scheme. The regulations around the transfer of DB pensions are clear that there must be strong reasons to support any advice to transfer, with the starting point being that a transfer is likely to not be in the consumers best interests. As such, the advice given by WPS is considered appropriate given the information available.

Further contact between Mr M and WPS occurred in January 2023, when Mr M asked for further information regarding annuities. No actual advice was given as this process was abandoned once Mr M became aware that this subsequent advice would be chargeable. Whilst WPS have accepted that the adviser could have made the information around future charges clearer, I note that the July 2022 advice report does document that future advice would require a new client agreement and would be chargeable. As no advice was given, and no changes levied, I have not commented further on this here.

Overall, based on the above chain of events I do not believe WPS have acted unreasonably. The various options available to Mr M were discussed where appropriate, with the result being that Mr M was advised to remain in his DB scheme. The content of the November 2021 and February 2022 calls clearly shows that Mr M did not have any strong preference for a specific course of action. Retirement objectives were noted as Mr M essentially being able to continue with his current lifestyle and there were no strong investment objectives, the end result being that there was no justification for recommending the transfer. As such the advice documented in July 2022 stating Mr M should retain the DB scheme is entirely valid.

Given the above I am not upholding this complaint.

My final decision

As per the rationale above I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 November 2023.

John Rogowski
Ombudsman