

The complaint

Mr S has complained about advice he was given by Santander UK Plc. In particular, he says that other funds were not considered and that he wasn't made aware of the past performance of the recommended fund.

What happened

Mr S met with an advisor from Santander in October 2015. He was recorded as wanting investment advice as he had a lump sum available in his deposit account. Proceeds of a guaranteed structured product, following maturity in March that year.

Mr S was subsequently advised to invest approximately £26,750 from these proceeds, into a new 5-year structured product. At the same time, Mr S was also advised to switch approximately £31,000 that he had invested in the Santander Max 100% Shares Portfolio fund.

Santander say they identified that Mr S' investment didn't match his attitude to risk, so he was advised to switch this into the Santander Max 70% Shares Portfolio fund. This was a fund that invested 70% in shares, rather than 100% like the fund Mr S was invested in. It was recorded that Mr S elected to only switch £15,240 (his remaining current year's ISA allowance).

Mr S complained to Santander in October 2022. He said that the advice given to switch into the Max 70% Shares Portfolio fund was wrong. In particular, he felt that other fund options had been ignored and that he hadn't been made aware of the past performance of the fund.

Santander responded to Mr S. They said that the advice given was suitable as it matched his circumstances and needs at the time. They stressed that it importantly also brought the risk profile of his portfolio in line with his attitude to risk at the time.

Mr S remained unhappy and so he brought his complaint to our service for an independent review. Our investigator looked into it. She said she felt the recommendations were a suitable fit and that Santander had done what was expected of them.

As no agreement was reached, the case has been passed to me to decide.

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.

As Santander were giving advice in 2015, they had certain obligations towards Mr S. This included making a suitable recommendation, based on his circumstances, objectives, investment experience and attitude to risk. The information supplied by Santander about their recommendation needed to be clear, fair and not misleading in order for Mr S to make an informed decision.

I've looked at what I know about Mr S' overall financial situation when he received this advice. In addition to what the parties have told me, I think it's reasonable for me to rely on information in the 'fact find' document and other point of sale documents.

At the time of the advice, Mr S' circumstances were that he was 44 years old, employed full time and married with no dependents. He jointly owned a home with no mortgage and had over £130,000 in existing investments. Mr S' objectives at the time of the advice, were to invest his matured amount and invest in the longer term *"to maximise growth for future spending needs"*. His attitude to risk was assessed and recorded as medium. On reviewing Mr S' existing investments, it was found that these were not in line with this attitude to risk.

Considering all of this, I think the advice given to Mr S to invest into the 5-year structured product and to switch into the 70% shares portfolio fund, was suitable. It matched his object of growth over at least five years. The recommendation also meant the risk profile of his investments were in line with his recorded attitude to risk.

Mr S has complained about the advice to switch from the Santander Max 100% Shares Portfolio fund into the Santander Max 70% Shares Portfolio fund. However, the basis of this was because Mr S was happy with the fund he was invested in but it carried more risk than he was prepared to take. I think this was appropriate. Mr S didn't have to go ahead with the switch and in fact didn't switch the full amount that was recommended.

Mr S is unhappy that the advisor didn't show him all available funds, so he could make a decision. However, whilst I can't be sure what was discussed at the meeting in 2015, this wasn't a requirement. Santander had to make a suitable recommendation, and I think they did. He's also said that the advisor should've shown him the past performance of the fund he was being advised to switch into. However, again, I wouldn't have expected the advisor to do this. Past performance is not an indicator of future performance. Mr S could've requested such information if he so wished, and I haven't seen anything to show that he did, and it wasn't made available to him.

In summary, I think the advice given to Mr S was suitable. It matched his circumstances and needs, and took into account the discrepancy between his existing portfolio and his recorded attitude to risk.

My final decision

My final decision, for the reasons set out above, is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 January 2024.

Yoni Smith
Ombudsman