

The complaint

Mr M received advice regarding transferring his deferred benefits in a defined benefit pension scheme (DBS) from WPS ADVISORY Ltd (WPS). He complains about the way he was charged for the service and that the process was unfair giving him the wrong outcome because WPS failed to understand his circumstances.

What happened

- Mr M had deferred benefits in a DBS with his employer. And his employer had agreed with WPS to offer employees financial advice for an agreed fee. Mr M contacted WPS to accept this offer and in December 2021 started the process of reviewing his DBS.
- During December 2021 WPS sent Mr M a fact-find questionnaire and discuss the fee for advice over the phone with Mr M.
- On 6 January 2022 Mr M signs WPS's client agreement. This set out that a fee of £875 + VAT would be charged for advising on the suitability of Mr M's DBS transfer.
- On 18 January 2022 WPS had a call with Mr M that lasted over 90 minutes. Its adviser went through Mr M's circumstances and indicated that it would, most likely be in his best interests not to transfer his deferred benefits. The adviser explained this was because Mr M didn't have an immediate need to access benefits from his pension and that it wasn't in his interests to take on investment risk unnecessarily at that time. It was understood by Mr M and WPS that Mr M had yet to provide WPS with an up to date cash equivalent transfer value (CETV) for the DBS.
- Mr M called WPS back a couple of weeks later saying that he accepted what the adviser said and that he'd leave his DBS where it was.
- In July 2022 Mr M sent an up to date CETV to WPS. So WPS carried out the transfer analysis for him and obtained a Transfer Value Comparator (TVC). Then provided him with a written recommendation not to transfer his DBS.
- Mr M contacted WPS towards the end of 2022 explaining that he'd reconsidered and wanted to transfer his DBS. He explained his personal circumstances again, indicating health concerns for him and his wife that were not discussed previously. Mr M went on to complain about the earlier advice and the fee he'd been charged.
- WPS looked into what happened and didn't uphold his complaint. It said that the fee had been clearly explained and agreed to. And that its advice had been tailored to the circumstances that Mr M had shared with them. And was suitable given what it understood at that time.
- Mr M didn't agree and brought his complaint to us.
- After investigating, our investigator concluded that the complaint shouldn't be upheld.

He thought that WPS had complied with regulatory rules in the way it charged Mr M and that the recommendation it gave him wasn't unsuitable for his circumstances.

- Mr M doesn't agree. He reiterated that WPS provided its suitability report without understanding his attitude for investment risk, and that he thought that it wasn't fair to rely on the information it obtained in January 2022 in the recommendation it gave in July 2022.

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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- The regulator's Conduct of Business Sourcebook (COBS) has rules and guidance for advisers that's specifically about pension transfers under COBS 19.1. And in COBS 9 there are rules and guidance about providing personal recommendations to clients. And within COBS and the Principles of Businesses (PRIN) there are clear obligations on WPS to act in Mr M's best interests. I've considered all of these as well as what would have been good industry practice in determining whether WPS have done anything wrong in this case.
- WPS had to ensure that the service it was offering Mr M was clear and he understood how much that would cost. Which I'm satisfied it did in a fair and reasonable way. It explained the fee on the phone and in its client agreement which Mr M considered and then signed.
- COBS 19 dictates that WPS had to start from a position of assuming that a transfer of this type wouldn't be suitable unless it could clearly demonstrate that the transfer was in Mr M's best interests. And based on the initial information that it obtained, in the questionnaire and the 90 minute phone call, I think that it was reasonable for WPS to conclude that there wasn't a compelling reason that made transferring in Mr M's best interests.
- When WPS were in possession of a CETV it was able to provide full and detailed written advice. This included the TVC and transfer analysis that COBS 19 required. This analysis highlighted that the CETV offered relatively poor value for the benefits that were being sacrificed. Which WPS clearly explained. And tended to support the recommendation that it was more suitable for Mr M not to transfer.
- I don't think it was unreasonable for WPS to act on the facts it had been provided in January 2022. Its later written recommendation summarised the information that the advice was based on. If it was incorrect this could have been raised.
- I have listened to the call that WPS had with Mr M and his wife in November 2022. I think that, on balance, the issues that were raised by Mr M were things that WPS hadn't been told at the information gathering stage of the process. So anything in that call that may lead to a different recommendation being given, isn't evidence that the recommendation that WPS provided wasn't suitable at the time it was given.

For these reasons, I do not uphold this complaint. I would like to reassure Mr M that, where there were issues he raised or commented on, I have considered them all. He will notice that I haven't commented on every specific point. That's because our service's aim is to provide a quick resolution with the minimum formality. So I've focused on the things that I consider

had the greatest bearing on what I think is the crux of Mr M's complaint.

My final decision

My final decision is that I do not uphold Mr M's complaint about WPS ADVISORY Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 October 2023.

Gary Lane
Ombudsman