

The complaint

Mr P complains that Throgmorton Wealth Management Limited (TWM) gave him incorrect information about the value of his pension. Mr P went on to say that he made a number of significant decisions off the back of TWM's information which later proved to be incorrect.

Mr P would now like TWM to recompense him for the financial and significant emotional impact that he says the incorrect information has had on him.

What happened

In October 2022, Mr P met with his adviser from TWM. During that meeting, his adviser explained that his pension fund had grown to around £245,000.

Based on the information TWM gave him at that meeting, Mr P explained that he then reflected on his finances - he planned to take the 25% tax-free cash from his pot (£60,000) and an income of around £8,000 per annum.

Shortly after his meeting with TWM, Mr P says that he gave his employer six months' notice of his intention to retire from work. In addition, he made plans to repay debts and look at spending time abroad.

In January 2023, TWM explained to Mr P that they'd made a mistake in their October 2022 meeting and confused his pension with that of another consumer. They went on to say that Mr P's pension was in fact valued at around £130,000.

Shortly afterwards, Mr P decided to formally complain to TWM. In summary, Mr P explained the impact that TWM's mistake had had on him and asked for compensation. After reviewing Mr P's complaint, TWM apologised for providing the incorrect information in October 2022 and offered to refund some of their fees - £734.21, for the trouble and upset they'd caused.

Mr P was unhappy with TWM's response, so he referred his complaint to this service. In summary, he said that given the decisions he'd made off the back of the incorrect information TWM had provided, such as resigning from work and making plans to go travelling, he wanted compensation of at least £70,000 to put things right.

The complaint was then considered by one of our Investigators. She concluded that whilst TWM had made a mistake, in light of the upset that they'd caused him, she felt that the £734.21 refund of fees was fair in the circumstances.

Mr P, however, disagreed with our Investigator's findings. In summary, he said that he didn't believe she'd taken full account of the impact TWM's actions had had on him. He went on to explain the emotional distress he'd suffered because of TWM and wider financial implications that had occurred as a result of the incorrect information that he'd been given.

Our Investigator was not persuaded to change her view as she didn't believe Mr P had presented any new arguments that she'd not already considered or responded to.

Mr P then asked the Investigator to pass the case to an Ombudsman to review that outcome.

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.

I think it's important for me to note that I very much recognise Mr P's strength of feeling about this matter. He has provided detailed submissions to support his complaint, which I've read and considered very carefully. However, I hope that Mr P won't take the fact that my findings focus on what I consider to be the central issues, and not in as much detail as he has outlined, as a discourtesy. The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr P and TWM to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Mr P's complaint but I won't be asking TWM to take any further action beyond what they've already put forward in their resolution letter (refund of fees amounting to £734.21) – I'll explain why.

I don't believe that there's any doubt in this case that TWM provided Mr P with an incorrect pension valuation – they've admitted as much. Based on the information that TWM provided Mr P in October 2022, he then went on to make some significant lifestyle and financial choices, including handing his six months' notice in at work. After subsequently learning that the information he'd been given was inaccurate three months later, Mr P found himself having to backtrack on some of those decisions and putting his retirement plans on hold. I don't doubt for a moment how disheartening Mr P must have found that. He's told this service he'd planned to use the tax-free cash to purchase a new car and caravan to live in and tour around the UK and Spain. He went on to explain that the home he's currently living in belongs to relatives which is now having to be sold to pay for their care home costs, and once it does sell, he'll be left homeless. Learning that his pension fund was worth over £100,000 less, Mr P says, has taken a serious toll on his mental health.

I've considered very carefully what Mr P has told this service about the impact this mistake has had on him. I also want to acknowledge that I fully appreciate how upsetting this must have been for him. So, given there's no question that TWM gave Mr P incorrect information, I've also carefully thought about how they've tried to put things right for him. There's no doubt that TWM have caused Mr P trouble and upset; they've acknowledged this within their resolution letter to him and have offered to refund fees totalling £734.21. Mr P, however, doesn't feel that's enough in light of impact that the incorrect information had on him. He'd like TWM to pay him £70,000 so he can retire one year early, but whilst I know Mr P will almost certainly be disappointed, I don't agree.

When mistakes occur, we'd ordinarily expect businesses to place the consumer back in to the same, or as close as possible to the position, that they would've been in had the error not occurred. In short, what that means is, we'd ask them to work out what the consumer's pension pot would've been worth had it not been for the mistake and then instruct the firm to put that right. Importantly though, TWM have already put the mistake right – they identified the error that they made (which was informing Mr P of the incorrect value) and then advised him of the correct fund value. However, as he never had a pension with Standard Life, I wouldn't expect TWM to recompense him for something he never owned.

In reaching my decision, I've also thought about the chain of events that took place. Mr P was a new client of TWM's when he first met with them briefly in early 2022, but it wasn't until October 2022 that TWM sat down with him to look at his circumstances. It seems at some point during the discussions, Mr P's details were mixed up with another client of the exact same surname (who did have a pension with Standard Life) and he was subsequently and erroneously told he had extra funds. However, TWM say that when they told Mr P he had a pension with Standard Life, he was surprised because none of his colleagues had such a plan and importantly, he didn't ever remember paying into a Standard Life pension plan. Allied to this, as Mr P didn't actually have a Standard Life pension, he would never have received any statements from them. So, whilst I appreciate that consumers change roles many times over the course of their careers and can forget about previous pension plans, to build an additional fund of around £115,000 would take a considerable amount of time and importantly, contributions, which according to TWM, Mr P didn't ever recall making.

Following the meeting, without anything corroborated in writing and with nothing more than a verbal explanation of the pension from TWM's adviser, Mr P went on to make significant financial decisions about his future. I think when I consider that in the context of Mr P's existing four pensions that were valued at around £29,000, £25,800, £21,000 and £52,000 respectively (so, in the region of around £130,000 and not £245,000) at the time, that should've given both TWM and Mr P pause for thought before proceeding any further as an additional fund of that amount should have raised questions.

Using financial services won't always be hassle free and mistakes can and do often happen. However, I think TWM have acknowledged their error and have tried to put things right with Mr P. But, I can't force TWM to give Mr P something to which he was never entitled to. I'm therefore of the view that the refund of fees totalling £734.21 is fair in all the circumstances and consistent with what this service would've awarded Mr P had TWM not already offered to do so.

Mr P has said that he's now accessed the tax-free cash from within his pension, but at the lower amount than he initially thought he would be entitled to.

My final decision

Throgmorton Wealth Management Limited has already made an offer to pay £734.21 to settle the complaint and I think that this offer is fair in all of the circumstances.

So, my decision is that Throgmorton Wealth Management Limited should pay Mr P £734.21 if they've not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 November 2023.

Simon Fox
Ombudsman