DRN-3842856

The complaint

Mr C complains about the suitability of the advice provided by Inspirational Financial Management Ltd ("IFM") in December 2017 to transfer the value of his safeguarded benefits in the British Steel Pension Scheme ("BSPS") to a personal pension plan ("PPP").

What happened

Mr C had built up safeguarded benefits in the BSPS while employed by Tata Steel UK Ltd ("Tata Steel"). The BSPS was a defined benefits ("DB") pension scheme that provided a guaranteed lifetime income to members.

In March 2016, Tata Steel announced that it would be examining options to restructure its business including decoupling the BSPS from the company. The consultation with members referred to possible outcomes regarding their safeguarded benefits, one of which was a transfer to the Pension Protection Fund ("PPF") – the PPF is a statutory fund designed to provide compensation to members of DB pension schemes when their employer becomes insolvent. Tata Steel closed the BSPS to further benefit accrual from 31 March 2017. By that point, Mr C had built up 33 years and 7 months' pensionable service in the BSPS. His annual scheme pension as at the date of leaving the scheme in May 2016 was £16,909.70. This would be revalued over the term to retirement by a prescribed amount.

In May 2017, the PPF announced that the terms of a Regulated Apportionment Arrangement ("RAA") had been agreed – this was approved by The Pensions Regulator in August 2017. Under the announced plans, Tata Steel agreed to set up and sponsor a new DB pension scheme, the BSPS2, subject to certain conditions relating to funding and size being satisfied.

In October 2017, the BSPS issued its *'Time to Choose'* communication pack to members including Mr C. This explained that BSPS members had three options regarding their safeguarded benefits:

1. Transfer to the PPF;
2. Transfer to the BSPS2; or
3. Transfer to an alternative pension plan such as a PPP (the transfer value available to Mr C was £433,402.57)

Mr C was concerned about what the announced changes meant for the security of his safeguarded benefits in the BSPS and wanted advice on his options. He contacted another business ("Firm A") to get advice. Since Firm A didn't have the necessary regulatory permissions to advise on pension transfers, it introduced Mr C to IFM. One of IFM's advisers recorded the following information about Mr C in December 2017:

- He was aged 52, divorced and in good health but expected this to deteriorate. He didn't have any children or other people financially dependent on him;

- He was employed full-time by Tata Steel and paid gross annual income of about £34,000;

- His assets comprised his home which was encumbered with a mortgage. The value of his home and any savings or investments he had wasn't recorded;

- Other than the mortgage on his main residence (the outstanding loan value wasn't recorded), he didn't have any other debts or liabilities;

- After paying for bills and essentials, he had surplus disposable income of about £300 to £500 available every month;

- In addition to the value of his safeguarded benefits in the BSPS, he was on course to receive the full state pension at age 67 and had been a member of Tata Steel's defined contribution ("DC") pension scheme since June 2016. The total annual contribution into his DC plan was 12% of his gross annual salary (the value of his DC plan wasn't recorded but, by that point, total contributions of about £4,000 had been invested);

- He was an inexperienced investor. He had little in the way of other assets or pensions to fund his retirement. On a scale of 1 to 5 where 1 (Cautious risk) was lowest risk and 5 (Adventurous risk) was highest risk, his risk profile was determined to be 1 or *'Cautious risk';* and

- His primary objective regarding his safeguarded benefits was to retire earlier than the BSPS normal retirement age of 65. He wanted to retire from age 55 or as soon as possible after that age.

Following the fact find meeting, IFM's adviser issued his suitability report in December 2017. This explained to Mr C that he had three options regarding his safeguarded benefits as set out in the *'Time to Choose'* communication pack. IFM's adviser recommended that Mr C transfer to a PPP provided by Prudential for the following reasons:

- *"You require the flexibility to control and tailor the frequency and amount of income you receive from your pension fund in retirement to suit your circumstances, needs and tax position, as opposed to the pre-set (albeit guaranteed) income that your existing defined benefits pension would provide.*

- *You want to ensure you can retire when you want and do not want to take the risk of having restrictions in place when the scheme enters the PPF or it becomes the 'new' British Steel Pension Scheme.*

- *You are prepared to accept more risk in return for greater flexibility over when and how benefits are withdrawn from your pension fund."*

The costs associated with the recommendation were as follows:

Initial advice charge

- 1.15% (or £5,000) – initial adviser charge for recommendation and implementation

Ongoing annual charges

- 0.65% investment annual management charge deducted from the PPP fund value

- 0.35% product fee deducted from the PPP fund value

- The basis of the recommendation was that following the pension transfer, Firm A, who introduced Mr C to IFM, would provide ongoing advice regarding the management and investment of the recommended PPP. In connection with this, IFM's adviser stated in the suitability report, *"It is important that your funds and financial planning arrangements are reviewed at regular intervals to ensure that they remain suitable. I understand this service will be provided by* [Firm A]*. The cost of this provision can be paid directly by you or can be taken from your pension fund on an ongoing basis. This is something you and* [Firm A] *will need to discuss and agree on."* The cost of that ongoing advice wasn't stated in the suitability report.

IFM calculated Mr C's estimated revalued annual scheme pension at age 65 as £23,566.62 on the basis he took a full scheme pension only. It calculated the critical yield to match that benefit as 7.8%. The calculation assumed 0% ongoing advice costs. The critical yield at age 55 – to align with the age at which Mr C wanted to retire – wasn't calculated.

Mr C accepted the recommendation, following which the transfer to the PPP was completed. IFM recommended that the PPP fund value be invested in the following funds to align with Mr C's '*Cautious risk*' profile:

Fund	**Allocation**	**Estimated annual growth rate before charges**
Prufund Cautious	80%	5.50%
Prufund Growth	20%	6.20%
Weighted estimated annual growth rate before charges was 5.64%		

<u>This complaint</u>

During 2021, Mr C complained to IFM about the suitability of its pension transfer advice. He thought that the advice had caused him to suffer a financial loss.

IFM didn't uphold this complaint. In summary, it stated that Mr C was concerned about the issues surrounding Tata Steel and the security of his safeguarded benefits in the BSPS. It considered that the continuing uncertainty at the time was sufficient reason for Mr C to transfer away so that he could obtain control of his safeguarded benefits and benefit from the flexibility to withdraw variable amounts of money from age 55. It was satisfied that it had adhered to and considered relevant FCA rules and guidance including providing Mr C with all the necessary information and risk warnings in good time to be able to make an informed decision. It didn't believe the alternative options of the PPF or BSPS2 could've met Mr C's early retirement objective. In its view, the pension transfer to the PPP was in his best interests and so was therefore suitable.

One of our investigators considered this complaint and recommended that it be upheld because, in her view, IFM failed to demonstrate at the time that transferring to the PPP was clearly in Mr C's best interests compared to the alternative options. She thought suitable advice would've been to transfer to the PPF on the basis that Mr C was unmarried and his primary objective was to retire early. Based on the contemporaneous evidence, she was persuaded it was more likely than not he would retire earlier than age 65. Since it was known at the time the PPF was the better option for unmarried, deferred members who expected to retire early or take the maximum tax-free, she recommended that it be used as the comparator scheme for redress purposes. To put things right, our investigator recommended that IFM carry out a redress calculation in line with the FCA's guidelines on the basis that Mr C transferred to the PPF, took benefits at age 58 and would be a 20% income taxpayer in retirement. She specified age 58 because Mr C retired in 2020 when aged 55 due to unanticipated ill-health and initially relied on savings to meet living costs. But by 2023 he had exhausted his savings and was seeking in 2023, when aged 58, to start withdrawing money from his PPP. So she concluded that had he transferred to the PPF in 2018, as she believed he ought to have done, he would've likely started withdrawing benefits from that scheme from age 58. In addition, she recommended that IFM pay Mr C £300 compensation for the trouble and upset caused by its unsuitable recommendation.

Mr C accepted our investigator's assessment. IFM replied and stated that it didn't agree with the outcome and provided additional comments in response. Our investigator considered these but wasn't persuaded to change her view. Since agreement couldn't be reached, this complaint has been referred to me to review and decide. This is the last stage of our process.

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've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

The FCA's applicable rules and guidance

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice but provides useful context for my assessment of IFM's actions here.

> PRIN 6 : *A firm must pay due regard to the interests of its customers and treat them fairly*
>
> PRIN 7: *A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading*
>
> COBS 2.1.1R: *A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule)*

The provision in COBS 19 which specifically relate to a DB pension transfer were as follows:

COBS 19.1.2R required the following:

> *"A firm must:*
>
> *(1) compare the benefits likely (on reasonable assumptions) to be paid under a defined benefits pension scheme or other pension scheme with safeguarded benefits with the benefits afforded by a personal pension scheme, stakeholder pension scheme or other pension scheme with flexible benefits, before it advises a retail client to transfer out of a defined benefits pension scheme or other pension scheme with safeguarded benefits;*
>
> *(2) ensure that that comparison includes enough information for the client to be able to make an informed decision;*

(3) give the client a copy of the comparison, drawing the client's attention to the factors that do and do not support the firm's advice, in good time, and in any case no later than when the key features document is provided; and

(4) take reasonable steps to ensure that the client understands the firm's comparison and its advice."

And COBS 19.1.3 G stated:

"In particular, the comparison should:

(1) take into account all of the retail client's relevant circumstances;

(2) have regard to the benefits and options available under the ceding scheme and the effect of replacing them with the benefits and options under the proposed scheme;

(3) explain the assumptions on which it is based and the rates of return that would have to be achieved to replicate the benefits being given up;

(4) be illustrated on rates of return which take into account the likely expected returns of the assets in which the retail client's funds will be invested; and

(5) where an immediate crystallisation of benefits is sought by the retail client prior to the ceding scheme's normal retirement age, compare the benefits available from crystallisation at normal retirement age under that scheme."

Under the heading "Suitability", the following was set out:

COBS 19.1.6G:

"When advising a retail client who is, or is eligible to be, a member of a defined benefits occupational pension scheme or other scheme with safeguarded benefits whether to transfer, convert or opt-out, a firm should start by assuming that a transfer, conversion or opt-out will not be suitable. A firm should only then consider a transfer, conversion or opt-out to be suitable if it can clearly demonstrate, on contemporary evidence, that the transfer, conversion or opt-out is in the client's best interests"

COBS 19.1.7G:

"When a firm advises a retail client on a pension transfer, pension conversion or pension opt-out, it should consider the client's attitude to risk including, where relevant, in relation to the rate of investment growth that would have to be achieved to replicate the benefits being given up."

COBS 19.1.7B:

"In considering whether to make a personal recommendation, a firm should not regard a rate of return which may replicate the benefits being given up from the defined benefits pension scheme or other scheme with safeguarded benefits as sufficient in itself.

COBS 19.1.8G:

"When a firm prepares a suitability report it should include:

(1) a summary of the advantages and disadvantages of its personal recommendation;

(2) an analysis of the financial implications (if the recommendation is to opt-out); and

(3) a summary of any other material information."

Businesses are required to follow these rules and consider the guidance because the FCA considers safeguarded benefits to be valuable. Based on the above regulatory rules and guidance, businesses advising on pension transfers should start by assuming that the existing DB pension scheme is suitable and to only recommend a transfer, which converts safeguarded benefits into flexible benefits, if it can *clearly* demonstrate it's in their client's best interests.

In assessing the suitability of IFM's advice to Mr C, it's necessary for me to have due regard to the FCA's rules and guidance stated above.

Mr C's situation

The situation for Mr C wasn't normal because the existing DB pension scheme, the BSPS, was closing. So he was essentially forced to transfer the value of his safeguarded benefits to a new scheme. He had three options:

1. Transfer to the PPF;
2. Transfer to the BSPS2; or
3. Transfer to an alternative pension plan such as a PPP.

It's undeniable that it was a period of great uncertainty for individuals such as Mr C. Many of these individuals were in a vulnerable position due to the uncertainty surrounding the future of the BSPS. I think the uncertainty only served to emphasise the need at that time for a balanced assessment of the options available and ultimately the provision of suitable advice.

Options 1 and 2 would've enabled Mr C to retain guaranteed lifetime income, albeit at a lower level than provided by the BSPS. So while the situation was somewhat unusual, Mr C still had the option to retain guaranteed benefits in either the PPF or BSPS2.

I don't believe that the circumstances surrounding the BSPS altered the FCA's position or its expectations of firms. It was known at the time of the advice that the PPF would pay a higher level of income and tax-free cash than the BSPS2 on early retirement. Given the FCA's position, and for the reasons stated by our investigator, it's my fair and reasonable opinion that IFM should've considered that the PPF was likely to be better option for Mr C based on his circumstances. And so IFM should've only recommend a transfer to the PPP in favour of the PPF if it could clearly demonstrate it was in Mr C's best interests, as referenced in COBS 19.1.6G.

Having considered the evidence, I agree with the investigator's view that IFM's pension transfer advice to Mr C was unsuitable for largely the same reasons. In summary:

- Mr C's safeguarded benefits, accounting for 33 years and 7 months' pensionable service, represented the backbone of his retirement provision built up by that time. I think it's fair to say that when he came to retire, he would be heavily reliant on the value of his safeguarded benefits to generate a minimum level of core income to support his standard of living in retirement. So I think it was important not to expose the value of these benefits to unnecessary risk given his limited capacity for loss and ability to replenish any losses over the short timeframe until he retired;

- IFM recorded that Mr C had limited knowledge and experience of investments. So he was an inexperienced investor. He had little in the way of other assets or pensions to fund his retirement. He had a *'Cautious risk'* profile which was defined as, *"I am a cautious investor who requires little risk to their pension capital. I seek stability and conservative growth. I consider security to be generally more important than increasing my income".* Transferring to the PPP led to the investment, inflation and longevity risks associated with his safeguarded benefits being transferred from the scheme to Mr C. Those risks would've been retained by the PPF had he transferred to that scheme. Taking these factors into account, it's my view that there needed to be a compelling reason why it was suitable for an inexperienced, low risk investor like Mr C with limited capacity for loss to transfer to the PPP compared to the alternative option of retaining guaranteed lifetime income under the PPF;

- At the time of the advice, Mr C was aged 52. He couldn't access any benefits until age 55 at the earliest under the PPP. IFM recorded that he wanted to retire from age 55 or as soon as possible after that age. His annual retirement income need from age 55 was recorded as about £18,000 (net of income tax) in 2017 terms. It's unclear what this was based on. The estimated annual pension payable by the PPF at age 65 was about £19,700. Even though Mr C's primary objective was to retire early from age 55, IFM didn't calculate the estimated benefits payable by the PPF at age 55 and so Mr C wasn't able to make an informed decision in this regard. The lower level of income may have met Mr C's needs. And so I think IFM failed to clearly demonstrate that transferring to the PPP to achieve the early retirement objective was in Mr C's bests interests;

- IFM recorded that Mr C was *"prepared to accept more risk in return for greater flexibility over when and how benefits are withdrawn from your pension fund".* I'm not persuaded that it was appropriate for an inexperienced and *'Cautious risk'* investor like Mr C to relinquish the guarantees attached to his main retirement provision in exchange for more risk so that he could access flexible benefits. And in any event, there's no real evidence that Mr C required the flexibility of irregular lump sums, variable income or staggered income during retirement. Flexibility and control might sound attractive, but I can't see that Mr C had any concrete need for it. It was recorded that he preferred *"choice and control"* over guaranteed lifetime income, however I'm not sure what this was based on. He had received guaranteed income all his working life and had a *'Cautious risk'* profile. So I think a guaranteed income would've been valuable for an individual in Mr C's circumstances. In any event, he was expected to continue contributing 12% of his annual salary into his workplace DC plan for at least the next few years to age 55. So he would've had flexible options available through the tax-free cash available under the PPF and the DC plan without taking risk on his main pension provision;

- IFM recorded that Mr C was very concerned about the security of his safeguarded benefits and didn't value the guarantee provided by the PPF. And so it recommended the transfer to the PPP to remove the risk that Mr C might be transferred to the PPF. As an inexperienced investor who had enjoyed guaranteed employed income during the previous 30 years, it's unclear to me on what basis an individual in Mr C's circumstances would decide that he didn't *"value the guarantee provided by the PPF"*. While I understand that Mr C may have been concerned about the security of his safeguarded benefits, I don't consider a transfer to the PPF was an outcome for him to avoid. Under the PPF, he would've received a minimum of 90% of his scheme pension. This contrasted with the recommended PPP where there's no promise of a minimum level of benefits payable. If Mr C was concerned about his safeguarded benefits being transferred to the PPF which would result in him losing 10% of his scheme pension, then I question why, as an inexperienced and *'Cautious risk'* investor, he would accept the risk of transferring to a PPP which exposed him to unlimited downside risks where the loss could be significantly greater than 10%;

- Payment of benefits before age 65 under the PPF would be subject to an early retirement reduction on a sliding scale – in simple terms, the earlier benefits are taken, the greater the reduction applied to income. But this isn't a penalty. Rather, the reduction is applied to reflect the fact that the PPF will have to support the income for longer than anticipated, and to protect the interests of members generally. I can't see that IFM adequately explained this to Mr C. And so he may have incorrectly believed he would be unfairly treated if he took benefits early under the PPF when this wasn't actually the case;

- IFM portrayed the PPP option as allowing for early retirement earlier than age 65 without penalty. I think this was misleading. The reality was of course that the PPP would've had less time to grow if accessed earlier than age 65 and any resulting income would need to last longer. I cannot see that this was adequately explained to Mr C so that he could understand accessing any of the available options early would likely lead to reduced retirement income during his lifetime compared to taking benefits at age 65. So I think he made the decision to transfer from an uninformed position in this regard;

- A change in the format of death benefits was another apparent objective for Mr C transferring to the PPP. While I understand that death benefits are important to consumers, the priority here, in my opinion, was to advise Mr C about what was best for his own retirement provision. Withdrawing money from the PPP to meet income and lump sum needs from age 55 onwards would likely mean that the size of the fund remaining in later years – when death is more likely – could be much smaller than expected. I can't see that this was explained to Mr C. A pension is primarily designed to provide income in retirement. Mr C was then divorced and didn't have any children or other people financially dependent on him. So it's questionable why it was deemed suitable for him to transfer to a PPP at that time to change the format of death benefits at the cost of losing guaranteed income. It's my view that Mr C had no health issues at the time IFM advised him which might reasonably have prompted him to relinquish the guarantees attached to his own retirement income for the sake of an enhanced safety net for beneficiaries who weren't financially dependent on him;

- For the reasons stated above, I don't think there was any need to transfer at that time. The critical yield figures attached to the transaction further undermine the case for a pension transfer. IFM calculated the critical yield to match the benefits under the BSPS at age 65 as 7.8%. This compared with a discount rate of 4.%, as explained by our investigator in her assessment. I think the critical yield figure of 7.8% was misleading and understated the true, higher critical yield. I'll explain why. The basis of the advice was that Firm A would provide ongoing advice to Mr C at a cost – but the cost wasn't stated in the suitability report or taken into account when calculating the critical yield. Other evidence indicates that the cost was 0.75% per year of the PPP fund value. Including that ongoing advice cost means the true critical yield figure at age 65 was nearer 8.0% which increased the risk that Mr C would be worse off by transferring. And so I think IFM misled Mr C in this regard;

- Notwithstanding this, the basis of the recommendation was that Mr C was seeking to take benefits at age 55. If that was the case then I would've expected IFM to also calculate the critical yield figure at that age to enable Mr C to make an informed decision. But it appears it only calculated and presented the figure at age 65. I think this is a material oversight because the figure at younger ages would've been higher (compared to at age 65) due to the shorter investment timeframe and impact of the initial advice charge on the required growth rate. This means that Mr C wasn't provided accurate information about the level of investment growth required to match the scheme pension if he took benefits early. And so the critical yield figure at age 55 was likely to be well in excess of 8.0%. It's my view that such a rate of required investment growth was incompatible with Mr C's *'Cautious risk*' profile, discount rate and the estimated annual growth rate of 5.64% (before charges) of the recommended investment strategy. I think these factors showed that it was likely Mr C would be financially worse off as a result of the pension transfer;

- Overall, I don't think the contemporaneous evidence supports the position as to why Mr C's early retirement, flexibility, control and death benefits objectives would've been sufficiently compelling reasons for him to relinquish valuable benefit guarantees by transferring to a PPP at that time. I haven't seen any evidence that persuades me the pension transfer to the PPP led to Mr C gaining any clearly defined advantage compared to the alternative option of transferring to the PPF. As a result, I think it's fair and reasonable to uphold this complaint.

Putting things right

A fair and reasonable outcome would be for IFM to put Mr C, as far as possible, into the position he would now be in but for the unsuitable advice he was given. My view is aligned with that of our investigator.

Our investigator concluded that given Mr C's circumstances and objectives, IFM should've advised him to transfer to the PPF on the basis of prospective early retirement. I agree with the reasons she set out in her assessment about why redress should be calculated on the basis that Mr C took benefits from age 58. I recognise that there would be a 10% reduction in the starting pension entitlement within the PPF and that income in respect of service before 6 April 1997 wouldn't escalate in payment. The BSPS2 wouldn't cut the starting entitlement for deferred members. But the reduction for early retirement under the PPF, proposed here at 58, was lower and would likely have more than offset the 10% reduction. The commutation factor for converting pension income into tax-free cash was also slightly more favourable under the PPF compared to the BSPS2 – and it's my view that maximum tax-free cash was attractive to Mr C. And so both the starting income and the tax-free cash would likely have been higher under the PPF compared to the BSPS2. So, compensation should be based on Mr C taking benefits from the PPF at age 58.

IFM must therefore undertake a redress calculation in line with the rules for calculating redress for non-compliant pension transfer advice, as detailed in policy statement PS22/13 and set out in the regulator's handbook in DISP App 4:
https://www.handbook.fca.org.uk/handbook/DISP/App/4/?view=chapter.

IFM should use the FCA's BSPS-specific redress calculator to calculate the redress. A copy of the BSPS calculator output should be sent Mr C and our service upon completion of the calculation.

The calculation should be carried out using the most recent financial assumptions in line with DISP App 4. In accordance with the regulator's expectations, this should be undertaken or submitted to an appropriate provider promptly following receipt of notification of Mr C's acceptance of this final decision.

If the redress calculation demonstrates a loss, as explained in policy statement PS22/13 and set out in DISP App 4, IFM should:

- calculate and offer Mr C redress as a cash lump sum payment,

- explain to Mr C before starting the redress calculation that:

    - its redress will be calculated on the basis that it will be invested prudently (in line with the cautious investment return assumption used in the calculation), and

    - a straightforward way to invest the redress prudently is to use it to augment his PPP

- offer to calculate how much of any redress Mr C receives could be augmented rather than receiving it all as a cash lump sum;

- if Mr C accepts IFM's offer to calculate how much of his redress could be augmented, request the necessary information and not charge Mr C for the calculation, even if he ultimately decides not to have any of his redress augmented; and

- take a prudent approach when calculating how much redress could be augmented, given the inherent uncertainty around Mr C's end of year tax position.

Redress paid to Mr C as a cash lump sum will be treated as income for tax purposes. So, in line with DISP App 4, IFM may make a notional deduction to cash lump sum payments to take account of tax that consumers would otherwise pay on income from their pension. Typically, 25% of the loss could've been taken as tax-free cash and 75% would've been taxed according to Mr C's likely income tax rate in retirement – presumed to be 20%. So making a notional deduction of 15% overall from the loss adequately reflects this.

In addition, IFM should pay Mr C £300 compensation for the trouble and upset caused by its unsuitable recommendation, as recommended by our investigator.

My final decision

<u>Determination and money award:</u> I uphold this complaint and require Inspirational Financial Management Ltd to pay Mr C the compensation amount as set out in the steps above, up to a maximum of £160,000. Where the compensation amount doesn't exceed £160,000, I would additionally require Inspirational Financial Management Ltd to pay Mr C any interest on that amount in full, as set out above. Where the compensation amount already exceeds £160,000, I would only require Inspirational Financial Management Ltd to pay Mr C any interest as set out above on the sum of £160,000.

<u>Recommendation:</u> If the compensation amount exceeds £160,000, I also recommend that Inspirational Financial Management Ltd pays Mr C the balance. I would additionally recommend any interest calculated as set out above on this balance to be paid to Mr C.

If Mr C accepts this final decision, the money award becomes binding on Inspirational Financial Management Ltd. My recommendation wouldn't be binding. Further, it's unlikely that Mr C can accept this final decision and go to court to ask for the balance. Mr C may want to consider getting independent legal advice before deciding whether to accept this final decision.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 12 November 2023.
Clint Penfold
Ombudsman