

## The complaint

Mr and Mrs W complain that they didn't receive suitable advice from Brown Shipley & Co Limited. Specifically they complain that they weren't advised to move their funds out of the Woodford Equity Income Fund (WEIF) before it was suspended.

## What happened

Mr and Mrs W were clients of Brown Shipley, and its predecessor. They were paying for an advisory service – that is that Brown Shipley would carry out annual reviews of their portfolios and advise them what to do. Mr and Mrs W would then have to agree before any changes were made.

In March 2019, Brown Shipley met with Mr and Mrs W to complete their annual review. The recommendations were sent in April 2019. The advisor explained it could no longer offer the same advisory service and suggested alternatives. The advice was to move to Brown Shipley's Managed Fund Service (MFS) which is a discretionary service. Mr and Mrs W were advised to move their entire portfolio into the MFS Balanced Fund which they were told was in line with their attitude to risk. Brown Shipley provided the following as alternatives should Mr and Mrs W not want to follow their advice:

- Encash their investments
- Move to a custody only service with Brown Shipley with no ongoing advice
- Manage their investments themselves
- Take advice elsewhere

It's important to note that Brown Shipley didn't recommend any of the alternatives but made Mr and Mrs W aware of them. Mr and Mrs W chose to take advice elsewhere and transfer their portfolio to a different advisor. At this point, one of the funds they invested in – the WEIF – had been suspended. Mr and Mrs W complained that Brown Shipley didn't advise them to move their investments from the WEIF during their annual review, particularly because at this point the WEIF had been removed from its Investment Universe.

Our Investigator didn't feel this complaint should be upheld. He explained that the original advice to invest in the WEIF was suitable for Mr and Mrs W's circumstances. And he said the service Brown Shipley provided was reasonable. The Investigator explained that Brown Shipley advised Mr and Mrs W to move their portfolio prior to the WEIF being suspended. He said that the service Mr and Mrs W paid for was to have an annual review and not be told any more frequently what to do with their investments. As Mr and Mrs W chose not to follow Brown Shipley's advice, their funds remained invested in the WEIF when it was suspended.

Mr and Mrs W acknowledged that the original advice was suitable but felt the advisor should've specifically told them to move their funds from the WEIF, rather than giving general advice to move their whole portfolio to a discretionary service. Mr and Mrs W wanted to continue to have an advisory service which Brown Shipley was no longer offering. But as they were paying for advice they felt Brown Shipley should've also specifically advised them

about the WEIF. They asked for an Ombudsman to review the complaint and make a decision.

### **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 can understand Mr and Mrs W's frustrations as, in hindsight, it would've been useful for them to know to take action specifically in regard to their funds in the WEIF. However, I don't think Brown Shipley has done anything wrong here and I'll explain why.

Mr and Mrs W had an agreement with Brown Shipley to have annual reviews whereby they receive advice on what to do with their portfolio. I can see that this annual review happened in March 2019 and Brown Shipley did a full review of Mr and Mrs W's circumstances and attitude to risk. Based on this review, they were advised to transfer their portfolio to the MFS Balanced Fund – as part of a discretionary service provided by Brown Shipley.

I've seen the MFS Balanced Fund fact sheet and can see that it invests in a variety of assets and holdings which coincide with Mr and Mrs W's attitude to risk. I can also see that the WEIF is not part of the top ten holdings. Brown Shipley has provided evidence to show that due to its continuing poor performance, it removed the WEIF from its Investment Universe in February 2019. So, I'm confident that the advice Brown Shipley gave to Mr and Mrs W included moving their investments from the WEIF – despite this not being explicitly said.

Brown Shipley told Mr and Mrs W that if they didn't want to move to the MFS Balanced Fund, or felt it didn't meet their needs, they could either manage their investments themselves or take advice elsewhere. And whilst there wasn't a time limit to accept the advice, Brown Shipley had provided suitable advice in line with the agreement it had with Mr and Mrs W. And had this advice been followed, Mr and Mrs W's investments would've been moved from the WEIF.

Mr and Mrs W told Brown Shipley on 5 June 2019 that they had decided to move to a different advisor who could offer the service they wanted. The WEIF was suspended on 3 June 2019 so they were not able to move their money. Later, when the WEIF was wound up, Mr and Mrs W say they suffered a loss on the money that was in this fund. I appreciate Mr and Mrs W wanted Brown Shipley to advise them to move their money specifically from the WEIF, but the advice given in March 2019 was to move their portfolio and this would've included the money invested in the WEIF.

Mr and Mrs W's agreement with Brown Shipley didn't include ad-hoc advice, and had they wanted this they would've needed to pay for it. I appreciate Mr and Mrs W wanted to be told that the WEIF was no longer part of Brown Shipley's Investment Universe when that happened, but I can see that the annual review shortly after included advice to move their portfolio which would've meant they were no longer invested in the WEIF. And the advice they received was suitable for their needs and attitude to risk. As Mr and Mrs W decided they didn't want to go ahead with that advice, their funds weren't moved out of their current portfolio, including the WEIF. I think Brown Shipley gave suitable advice and the right level of service to Mr and Mrs W. The advice included moving out of the WEIF and it was Mr and Mrs W's choice not to accept this advice, so I'm not upholding this complaint.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 24 February 2022.

Charlotte Wilson  
**Ombudsman**