

## **The complaint**

Mr C complains that LEBC Group Limited changed the investment make-up of his portfolio without letting him know which he says caused him a financial loss.

## **What happened**

Mr C received advice in March 2017 about transferring two of his existing pensions into an Income and Growth portfolio managed by LEBC. The first transfer was completed in August 2017, and the second in October 2017.

In June 2019 Mr C was contacted saying that an investment which made up part of the portfolio, the Woodford Equity Income fund (WEIF), had been suspended. Mr C didn't recall seeing WEIF listed in the portfolio when he received the advice to transfer so he complained to LEBC.

LEBC said that WEIF wasn't part of the portfolio when Mr C received the advice and it was added between that time and when the pension transfers took place. They said Mr C was made aware of WEIF being part of the portfolio when in July 2018 he was sent a review document. This review recommended to reduce the holdings in WEIF from 20% to 5% of the portfolio. Mr C signed and returned a form accepting this change so LEBC didn't uphold the complaint.

Mr C was unhappy with the response so brought his complaint to this service where one of our investigators looked into what happened. They thought LEBC should've made Mr C aware of the change in the portfolio. However they didn't think there was any financial loss as Mr C would probably have invested in the portfolio even if he'd known that the WEIF was included. They also thought the make up of the portfolio, including the WEIF, matched the attitude to risk from when the advice was taken.

Mr C disagreed saying LEBC should've contacted him to let him know about the changes to the portfolio before the transfers took place. Because they didn't do this he feels he suffered a financial loss which LEBC should make up for. So the complaint has come to me for 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.

It's clear to me how strongly Mr C feels about what happened. I want to assure him that I've read and considered everything provided even if I don't mention it in detail. I've summarised the complaint which reflects the informal nature of our service.

All parties agree that Mr C wasn't told about a change which meant WEIF made up part of his portfolio. This was because WEIF was added to the portfolio after Mr C received advice, but before the transfer of both pensions was finalised.

I've looked at the Pension Transfer Report prepared when Mr C was given advice. This explains that there would be reviews of the portfolio and annual rebalancing. It was during one of these reviews that WEIF was added to the portfolio.

This was unfortunate timing, and I think it would've been prudent of LEBC to let Mr C know that the make-up of the portfolio had changed from when he originally received the advice. But I think LEBC were able to make the changes they did as part of a rebalancing review, and I don't think they made any errors, or made any changes they weren't authorised to do.

Where I think a business has made a mistake I need to consider what position the consumer would be in had that error not occurred. Here Mr C has said that had he known that WEIF was in his initial portfolio he probably would've agreed to invest. So from this perspective I don't think there is any financial loss as the position would be the same.

Looking at the make-up of the portfolio I think the investments all suited Mr C's attitude to risk. This includes the WEIF and the investment which was sold when it came into the portfolio. The performance of an investment isn't something that I can look at, but I'm satisfied the portfolio matched Mr C's attitude to risk, which is how I would expect LEBC to act.

LEBC wrote to Mr C after a review in July 2018 recommending that the holdings of WEIF be reduced from 20% to 5% of the portfolio. Mr C accepted this change by signing and returning a form to LEBC. This made Mr C aware of WEIF being in the portfolio, if he wasn't aware of it before. If at that time there were any concerns about WEIF they could've been raised with LEBC. However Mr C didn't raise any concerns until after WEIF was suspended sometime later.

Having carefully considered everything that happened I'm not persuaded any direct financial loss was caused by the actions of LEBC, so I won't be asking them to take any further action.

### **My final decision**

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 March 2022.

Warren Wilson  
**Ombudsman**