

## **The complaint**

Mr P is unhappy with the way St. James's Place Wealth Management Plc (SJP) have managed his investment account following a change of advisor. In particular, he feels that his investments were left unmanaged for a period and charges shouldn't apply.

## **What happened**

Mr P has an investment account managed by SJP since 2019. This includes pension and individual savings accounts (ISAs). Mr P used an advisor at SJP, who left in July 2022 following suspension.

SJP say that Mr P and other clients of the advisor, were made aware of the suspension in April 2022. They say it had happened in March 2022 and that Mr P was assigned a new advisor in June 2022.

Mr P complained to SJP. He was unhappy that he hadn't been given immediate notice of the suspension. He also didn't feel that it was fair he should pay an ongoing advisor charge (OAC) for the period he was without an advisory partner. He also felt that SJP should waive any early withdrawal charge (EWC) so he could transfer his investments elsewhere, following the appointment of an advisor that he didn't approve.

SJP responded to say they had acted fairly and kept Mr P updated sufficiently and appropriately. They said that there was an interim advisory partner should Mr P have sought advice prior to the appointment of a new permanent partner in June 2022. They refused to waive any EWC and confirmed that Mr P could opt-out of ongoing OAC if he wished, but that he would lose the services of an advisory partner.

Mr P remained unhappy and brought his complaint to our service for an independent review. Our investigator looked into it, he said SJP had acted fairly and notified Mr P of the changes at a reasonable time. He didn't think that SJP should refund OACs or waive EWCs.

As no agreement was reached, the case has been passed 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.

Having done so, I agree with the outcome reached by the investigator. Let me explain why.

Many points have been made in relation to this complaint – I haven't addressed each one individually. Instead, I've focused on what I consider to be the pertinent points. That isn't meant as a discourtesy, it simply reflects the informal nature of our Service. I've set out the key issues I think are important here. And I've answered them below in turn.

### Decision to change partner and appointment of interim partner

SJP have told us that the advisory partner, who Mr P had been receiving advice from since 2019, was suspended from giving advice on behalf of SJP in March 2022 before formally leaving in July 2022. Whilst I appreciate this will have been disappointing for Mr P who seems to have appreciated the service he was receiving, this isn't something I can comment on or make a finding on. SJP are entitled to make legitimate business decisions and follow internal disciplinary procedures.

SJP say that Mr P had access to an interim advisory partner during this time. They say that Mr P's former advisor had asked to communicate this to Mr P, so he was aware there was still an ongoing arrangement. However, I haven't been provided with anything to show that this was done and that Mr P was made aware of this until 1 June 2022.

Whilst this was an almost three-month period where I can't be sure that Mr P was aware of the interim change, I can't say this had any impact on Mr P or that he suffered any loss of advice. He was in contact with other colleagues and could have requested use of the advisory service but he didn't.

#### Appointment of permanent new partner

SJP then appointed a permanent new partner for Mr P in June 2022. He is unhappy that he wasn't consulted on this and didn't agree with the appointment. However, SJP say they appoint the partners based on circumstances and what they know about clients at the time. They have explained this appointment and I think they acted reasonably.

I haven't seen anything in Mr P's agreement to say he was entitled to choose his partner or be involved further in their appointment. However, SJP did agree that Mr P could choose an alternative partner and made him aware how he could do this. I think this was fair.

Mr P is also unhappy that personal information was passed to this new partner. However, the terms of business he entered into stated that "*data may also be passed to other St. James's Place Partners in the interests of providing you with a comprehensive and continuous service*". Considering I am satisfied that SJP acted fairly in this appointment, it follows that they were entitled under the terms of business to pass this information to the partner.

#### Ongoing advisor charge

Mr P feels he shouldn't have to pay the OAC once his initial partner was suspended from advising him. SJP have said that the OAC is a charge that ensures customers have advice as and when they need it. They have refused to refund the charge as Mr P had access to advice should he have needed it. There is no evidence he required or requested the service and didn't get what he was entitled to. For that reason, I think SJP have acted fairly in not refunding any OAC or 'backdating' the OAC switch off as Mr P has requested.

Mr P has also requested to know who received the OAC he paid. SJP have made clear that it is paid to SJP Wealth Management Plc and it is them who ensure partners are available from these fees. I am satisfied with this explanation given.

#### Early withdrawal charge

Mr P feels he should not have to pay an EWC should he make the decision to transfer investments elsewhere. SJP have confirmed that an EWC is applicable to Mr P's retirement account but they have refused to waive it. I think this is fair and I don't think they should have to.

EWCs follow the early withdrawal or transfer prior to an allowable date. The charge can help deter investors from early withdrawal and can help compensate a business for costs experienced earlier in the term of an investment. Mr P hasn't suggested these weren't made clear to him or that they shouldn't apply, just that SJP should waive them as he would be transferring due to what he sees as their failings. Considering I think they have acted fairly and reasonable, it follows that I don't believe they should waive these charges.

In summary, I am satisfied that SJP handled a difficult situation fairly and reasonably. They made decisions they were entitled to make and Mr P has had access to the benefits of the service he has been paying for. I don't require SJP to do anything further.

### **My final decision**

My final decision, for the reasons set out above, is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 6 March 2024.

Yoni Smith  
**Ombudsman**