

## The complaint

Ms R has raised concerns about Balance: Wealth Planning Limited (“Balance”) in relation to investment advice provided to her and the administration of the subsequent liquidation of her portfolio.

## What happened

Ms R first became involved with Balance in April 2020. After an initial telephone contact, she became a client and Balance started to make recommendations to her based on their discussions, details of her personal and financial circumstances and a determination of her attitude to risk. At the time of the initial advice, Ms R was in her early 60s, single, with occasional work income, and spending time in the UK and abroad, where she had ongoing personal and financial connections.

She was ultimately advised by Balance to rearrange her finances into a General Investment Account, ISAs and a SIPP, all held on the platform of a separate business. Balance charged an initial fee of £2,750, with a further £250 each month for its ongoing review service.

Over the course of the next two years there was regular contact between Ms R and Balance, by telephone and video meeting (as this was during the period of the Covid-19 pandemic). Various changes were made across a series of written detailed advice reports that reflected Ms R’s gradually changing requirements. Her particular objectives at the outset and over the period in question were ensuring the money available to her would last and provide her required ongoing income.

By May 2022 she’d started to become very worried about her financial situation and began to question the advice Balance had provided. Towards the end of that month, she wrote to Balance to say that she wanted to encash her portfolio and the process was duly started for her. But following several issues, Ms R wrote to Balance to make a formal complaint.

The complaint covered many areas. A brief summary, intended to reflect the general nature of Ms R’s concerns, is as follows:

- Differences in valuations provided to her for the various accounts during the encashment process.
- Misinformation provided regarding the encashment process relating to the reasons for delays and particular requirements of the process.
- An increasing lack of confidence in members of Balance’s staff.
- Increasing difficulties in contacting staff.
- A lack of comprehensive advice provided in response to world events.
- The potential loss of tax advantages as a result of the transfers.
- Ms R being left with less cash than expected and Balance’s communication around this.
- A general lack of investment diversity.
- An unnecessary and unsuitable recommendation to take equity release.
- The general quality and detail of the advice – for example, asking Ms R to use an external website for her own research into cash ISA rates.

- Ms R's view that Balance's overall conduct fell below the requirements of the Financial Conduct Authority.

Balance responded comprehensively to Ms R's complaint, addressing each point raised in detail. It was ultimately satisfied it had acted fairly, providing Ms R with suitable investment advice that reflected her changing needs and circumstances over the two-year period. It also felt it had handled the encashments reasonably, given their complexity and errors caused by the investment platform. (Those issues have been dealt with separately, and a payment for loss, and distress and inconvenience, made by the platform provider). Despite Balance's overall view that it had acted correctly, it did offer Ms R £200 as a gesture of goodwill to acknowledge that there'd been occasions when its communications with her could've been clearer.

Following Balance's response and Ms R's subsequent referral of the matter to this service, she added some additional points. In short, Ms R felt it had been left to her to identify the valuation issues that eventually led to compensation being paid by the platform provider. And further, that as her paid advisers, Balance should've noted and acted on the issues. She also reiterated her concerns with what she saw as her adviser's lack of response to world events, issues with the withdrawals and a general failure to provide information.

Ms R also provided some clarity on the compensation she was seeking from Balance, which included additional losses incurred by the delay in encashment (beyond those that had been compensated by the provider) various charges incurred, costs for professional help, and significant compensation of £7,500 for the distress and inconvenience caused, particularly considering the impact of the problems on her ongoing health issues.

Our investigator considered the matter but concluded that Ms R's complaint shouldn't be upheld. He felt that Balance had provided advice to her as agreed to at the outset, in terms of term and risk, and monitored its progress regularly with frequent communication, in line with the ongoing advice agreement. The investigator also felt appropriate consideration had been given to Ms R's attitude to risk. He noted her particular concern that her age had been recorded incorrectly but concluded that the error wouldn't have impacted how her attitude to risk had been categorised, as it would've been based on the answers to questions asked when compiling Ms R's Investor Profile.

The investigator didn't consider Balance had been responsible for any loss incurred, and that any reduction in the amounts eventually realised by Ms R when she encashed her portfolio was due to market movements. And further, that the issue with encashment has been fully dealt with by the platform provider's payment of compensation.

Ms R didn't accept the investigator's view. She provided further submissions, directly addressing some of the points raised by the investigator and more generally questioning the approach he'd taken in responding to the complaint – which she felt had failed to address matters in sufficient detail.

The investigator wasn't persuaded to change his position, so the matter has been referred to me to review.

### **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'm aware I've summarised the events surrounding this complaint, and the various submissions provided, in significantly less detail than the parties to the complaint. I'd like to

stress, particularly given the concerns raised by Ms R with the approach taken by the investigator, that no discourtesy is intended by this. Rather, it simply reflects the informal nature of this service.

I also want to assure both parties I've read and considered everything on the file. But I'm satisfied I don't need to comment on every point raised to reach what I consider to be a fair and reasonable decision. Where I've chosen not to comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. That approach is in line with the rules we operate under.

Although as the background shows, Ms R's complaints coalesced around the events of June and July 2022 – the period during which the delays in completing her requested encashments occurred – I've nevertheless gone beyond this to look closely at the history of her relationship with Balance.

Having done so, I can see that Balance conducted a comprehensive and detailed review of Ms R's circumstances and needs, in the manner I would expect a regulated adviser to do. Moreover, this appears to have been done with particular attention to Ms R's health issues and associated anxieties about her financial situation. I'd stress that in saying this I'm not in any way suggesting a lack of understanding or capability on Ms R's part. Rather, that Balance showed a level of attention to detail that I think supports it having endeavoured to act in her best interests, providing suitable advice, consistent with her circumstances and needs.

In respect of the fund recommendation, it was a widely diversified product that, while reliant on a reasonably significant element of equity performance, was in the majority based on bonds and other similar fixed income investments. Given Ms R's capital maintenance and income requirements, this approach doesn't strike me as unreasonable, and it appears to have been clearly explained to and accepted by Ms R. I note her concerns with her age being recorded incorrectly (as 20) in the Investor Profile. This error featured in the 'Know Your Client' section of the document. But I'm satisfied that her risk profile was, as is common, ultimately determined by her answers given in the questionnaire that formed part of the profiling process, her age not being an influencing factor.

The actions taken by the adviser in response to world events – the most notable being the onset of war in Ukraine in February 2022 – following which Ms R emailed Balance voicing her concerns – also appear reasonable. General communications were sent to all customers and Ms R received a direct response to her email sent to the adviser on the matter. The adviser recommended remaining invested, which in the circumstances and given the diversified nature of the fund in which she was invested, seems practical and the type of response I would've expected to see.

When it became apparent that Ms R remained very concerned with the value of her investments further advice was provided to release a sum of £80,000, moving it from the risk-based environment. While this did involve the removal of some money from an ISA, and the loss of the related tax benefits, I nevertheless think the matter was handled reasonably by Balance. It explained in its final response letter the limited tax impact this action would've had in the specific circumstances. And ultimately it was trying to balance Ms R's needs in light of her anxiety against its reasonable view that it would've been prudent for her to have remained invested.

Turning to the issues relating to the encashments requested shortly after, I'm conscious that the platform provider has acknowledged and accepted responsibility for several issues and that compensation has been paid that places Ms R back in the position she'd have been in if the issues hadn't occurred, and the sales had been made on 10 June 2022. I note she feels

that further compensation is warranted from Balance for failings in relation to the encashments on its part, but I don't agree.

This was a relatively unusual and complicated series of transactions, and I don't think it's reasonable to expect Balance's staff to have been able to pre-empt what went wrong. I note what Ms R has said about their role as advisers and an expectation that they should've understood the platform they recommended. But there are always going to be novel situations and problems that arise. And what I'd hope is that when such problems do arise, pro-active attempts are made to resolve matters, which appears to have been the case here.

I've seen evidence that supports pro-active contact having been made by Balance attempting to resolve the situation and I'm satisfied members of its staff were doing their best to move the matter on. Issues that Ms R has pointed to in respect of the valuations have been explained by Balance – that initially the variations were due to the timings of trades and later due to the problems relating to the platform provider's process resulting in it showing incorrect values.

I note that some issues relating to the ISA transfers stemmed from Mr R having acted herself in arranging the setting up of the accounts, rather than on the advice of Balance. While she was of course perfectly entitled to do this, I can understand why it may have exacerbated the problems, because it left Balance to deal with an unusual situation that was not of its making.

And this leads me on to some of the other specific issues that Ms R raised. In relation to the above-mentioned ISA transfers, Ms R has questioned being told to check an external website for information about cash ISAs and how that doesn't seem consistent with her paying a monthly fee for advice. But in the context of her opting to set up the ISAs herself independently of Balance, on a non-advised basis, I can't see this as anything more than Balance's staff trying to help in good faith.

And similarly, in respect of the issue of equity release, this was a recorded as a possible option at the outset and then revisited in light of Ms R's changing needs and objectives over the next two years. I've seen nothing untoward in how this was handled, and it strikes me as simply being one aspect of the comprehensive consideration Balance gave to Ms R's circumstances.

Overall, while I appreciate Ms R will be very disappointed and strongly disagree, I don't feel I've seen that Balance acted incorrectly or unfairly in respect of the service it provided to her. My impression is of a business taking reasonable steps to provide her with suitable advice and support, reacting to her changing needs as and when they arose.

I acknowledge that over the course of the relationship there were things that could've maybe been done differently, and instances where communications could perhaps have been better handled (as Balance has acknowledged by way of its offer of £200). But ultimately, as I've already said, it's to a degree inevitable that in the course of providing ongoing detailed advice in light of changing circumstances there will be occasional issues that need to be addressed.

### **My final decision**

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 23 February 2024.

James Harris  
**Ombudsman**