

## **The complaint**

Mr L complains that Mulberry Wealth Management Limited:

1. Mis-sold him an investment. He was told the money he'd invested was guaranteed, and he understood that the money he received on a monthly basis was interest.
2. Charged him a fee for ongoing advice, but he didn't receive any.

## **What happened**

In August 2015, following advice from an advisor at Mulberry, Mr L invested £30,000 in a bond.

The bond had a capital guarantee of eight years. It was set up for Mr L to receive monthly withdrawals totalling £1,350 each year.

Mr L says he understood the monthly payments were interest payments from the bond and that he would receive £30,000 back in 2023, in addition to the monthly payments. But in 2023 he found out that the payments he'd been receiving were capital withdrawals, which he says he never asked for.

Mulberry said Mr L's original investment was guaranteed, less the withdrawals he'd received. It said the bond, including the withdrawals, was worth more than the original investment, so Mr L hadn't made a financial loss. It agreed to refund its on-going advice fee of £146.60 as it accepted a review meeting didn't take place during 2015/16. And it offered to pay Mr L £250 by way of an apology over any confusion about how the bond worked.

Mr L referred his complaint to us. He said he accepted the refund and the gesture of goodwill, but Mulberry didn't pay him. And he still wanted to complain that the bond had been mis-sold to him.

Our investigator thought Mulberry's offer was fair. He explained why he didn't think the bond had been mis-sold.

Mr L didn't agree with our investigator's conclusion and said it was based on wrong information. In summary, he said:

- He accepted Mulberry's offer, but it hasn't paid him anything.
- He never received any paperwork from Mulberry, only a booklet from the bond provider.
- He understood he would get £30,000 back in August 2023. He didn't ask for any capital to be withdrawn from the bond and he was told the monthly payments he received were interest.

## **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 considered everything carefully, I find I have come to the same conclusion as the investigator for the following reasons:

I find it's clear that Mr L understood that the withdrawals were interest on the bond, rather than withdrawals from capital. Mr L suggested Mulberry "lied" to him about this. I'm not persuaded Mulberry deliberately mis-led Mr L. But, as an inexperienced investor, Mulberry should have taken steps to make sure Mr L fully understood the investment it had recommended. And I can't conclude that it did enough to make sure Mr L understood the investment because, if he had, he would've known the monthly payments were capital withdrawals.

But I don't find Mr L has lost out financially because Mulberry didn't make things clear enough. I'm satisfied the bond was suitable for Mr L, given his circumstances, his attitude to risk and his objective – for his investment to provide a better return over the long term in comparison to a bank or building society account, with minimal risk to his capital. Taking into account the withdrawals and the value of the bond in 2023, the bond increased in value and, overall, Mr L received back more than he invested.

It was no doubt disappointing for him to realise that he wouldn't receive £30,000 in addition to the monthly payments he'd received since 2015. But I'm satisfied that Mulberry's offer of £250 fairly compensates him for the misunderstanding and his disappointment.

Mr L says he didn't ask for monthly withdrawals. And Mulberry hasn't provided evidence that Mr L asked for, or agreed to, the monthly withdrawals. But I'm satisfied Mr L received the money each month so has not lost out financially, even if he didn't agree to the withdrawals.

Mr L moved his bond to a different financial advisor in 2016. As Mulberry didn't provide any on-going advice in that first year, I think its offer, to refund the on-going advice fee of £146.60, is fair. It should also pay interest on this refund at 8% interest per annum. I'm satisfied that Mulberry hasn't charged, or received, any fees since the investment was transferred in 2016.

Mr L is upset that Mulberry hasn't already refunded the fee of £146.60 or paid him the £250 compensation, which he says he accepted. But Mr L wanted to refer the complaint to us, because he still thought he should have received £30,000 back. As this all forms part of the whole complaint, I wouldn't expect Mulberry to have paid compensation to Mr L until this service completed its investigation. If Mr L now chooses to accept my decision, Mulberry will arrange for the payment to be made.

## **My final decision**

My final decision is that Mulberry Wealth Management Limited should:

1. Refund its on-going advice fee of £146.60. It should add interest at 8% simple per annum from the date the fee was charged to the date of settlement. \*
2. Pay Mr L £250 compensation.

\* HM Revenue & Customs requires Mulberry Wealth Management Limited to take off tax from this interest. Mulberry Wealth Management Limited must give Mr L a certificate showing how much tax it's

taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 December 2024.

Elizabeth Dawes  
**Ombudsman**