

complaint

Miss P complains about advice from JP Financial Management Ltd ('JPFM') to transfer her occupational pension benefits to a personal pension plan ('PPP').

background

This complaint was investigated by one of our adjudicators. She upheld it. She said:

- JPFM had a duty to advise Miss P of all the transfer options so she could make an informed decision. It did not do this; and
- Miss P was not a sophisticated investor. She was not satisfied Miss P would have understood all the risks of the transfer.

JPFM said that Miss P had already chosen Option 2 from the options given to her. So she took a tax free lump sum and the rest of the fund was transferred to a PPP. It said it would not have been able to change her mind even if another option may have been more suitable.

The adjudicator was not persuaded to change her view. She said JPFM had a duty to explore and explain each transfer option. The suitability letter did not show this was done.

JPFM disagreed. So the matter has been referred to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

JPFM say that by the time Miss P consulted it, she had already decided to transfer to a PPP and take her tax free cash lump sum. It says her decisions were irrevocable. It was unable to influence or amend the decisions Miss P had already made.

But the evidence I have seen does not support this. Miss P completed the JPFM questionnaire on 15 July 2008. The suitability letter is dated 19 July 2008. She did not complete the forms necessary for the transfer to a PPP until 29 July 2008.

In other words, her decisions on first meeting JPFM were *not* irrevocable. JPFM, had it explained all Miss P's options in its suitability letter, *were* in a position to influence Miss P's decisions. The questionnaire that Miss P completed said of her attitude to risk that '*I am not prepared to expose myself to anything other than a minimal amount of risk in the hope of increasing my pension benefits*'. So I agree with the adjudicator that Miss P was a cautious investor, reliant on JPFM for advice about her pension.

I also note the suitability letter said'*however, the real pension planning starts when we next meet*'. In my view, this confirms that detailed pension planning or advice had not taken place between Miss P first consulting JPFM and the transfer. This is despite the JPFM questionnaire that Miss P completed declaring, above the signature panel, that '*I would like JP Financial Management Ltd to advise me as to whether or not to accept the office [sic] in relation to my (OPS) pension.*'

But by not setting out *and* explaining all her options JPFM did not put Miss P in a position to make informed decisions.

So I have concluded that it did not suitably advise Miss P.

my final decision

I uphold this complaint.

In determining suitable redress, my aim is to put Miss P back in the position she should be in but for the unsuitable advice.

JP Financial Management Ltd must perform a loss calculation using the methodology determined by the regulator for the industry-wide Pension Review using the latest assumptions and review date as set out in this service's website. It must then pay any redress due to Miss P in line with the review guidance.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss P to accept or reject my decision before 27 June 2016.

Terry Connor
ombudsman