

## **complaint**

Mrs M has complained about the way in which deVere and Partners (UK) Limited (deVere) have managed her QROPS.

## **background**

The transfer in 2008 from Mrs M pension plan in the UK into a QROPS was given on the advice of another business based in Cyprus. This Service has already confirmed we cannot look at a complaint against the Cyprus business.

This decision therefore just deals with the complaint about the actions of deVere in the UK.

Mrs M first contacted deVere in 2012 after she returned to the UK.

The April 2012 report showed the valuation as £48,050 (the original transfer into the QROPS in June 2008 was for £73,823). The business said Mrs M was reluctant to make changes and sell her main investment in RBS shares as it had already lost over a third of its value. Mrs M had said she couldn't recall that this was the case but that the meeting took place sometime after she returned to the UK and she had a lot of contact for a number of advisers.

No advice was given until a review took place in 2014. The fact find said in summary –

- Mrs M was married, 52 and in good health.
- Her preferred retirement age was 65.
- She was employed earning about £15,500 per annum. She had savings of £1,000.
- She had no other pension plans. The notes said the aims were to get the QROPS into UK, to reduce the charges and to improve the investment returns.

The attitude to risk questionnaire recorded Mrs M as having a cautious to moderate attitude to risk. The portfolio report of 20 October 2014 recommended a switch from the RBS Dynamic Asset Allocator (which was a five year capital protected structured note) to the following funds.

- 20% cash
- 30% Vanguard LifeStrategy 20 (composed of diversified fund of 20% equity and 80% fixed interest)
- 20% Aberdeen Multi Manager cautious managed fund
- 15% Vanguard LifeStrategy 40 (composed of 40% equity and 60% fixed income)
- 15% JPM Multi Asset income

Mrs M was advised to keep the existing investment in the RBS GBP managed fund. Mrs M went ahead with the recommendations.

On 20 January 2015 the value of the arrangement had increased to £49,937.

In January 2016 Mrs M complained that her fund had fallen to £47,586. She told the business that she no longer wanted them to look after her pension.

DeVere's position is that the advice was in line with Mrs M's attitude to risk and they tried to help her transfer away from the QROPS when there were problems with the indemnity form in regards to the transfer with the trustees of the QROPS.

The adjudicator said in summary –

- She appreciated that Mrs M is unhappy about the poor performance of her pension fund. She explained that she could not look at the original advice to go into the QROPS and the valuations show that the main drop in the pension fund was during the time before deVere was appointed.
- The 2014 advice was not unreasonable.
- deVere were not liable for any events after Mrs M told them she did not wish them to look after her pension in January 2016.
- deVere should have looked at transferring for the QROPS earlier but any transfer before 2016 would have resulted in a claw back of the higher charges. However, the adjudicator did consider an award for trouble and upset was due caused by the numerous advisers and lack of advice.

Mrs M said in summary -

- deVere UK are passing the buck as they said they would look after Cyprus office clients.
- Any decisions that took place in 2012 would have been on the recommendation of the adviser.
- Following the meeting in 2014, they did not follow the issue of transferring. Had they have done so, they would have realised the problem with the indemnity required.
- It may have been more beneficial for her to pay the early withdrawal charges and transfer into a new UK based lower charge plan. Who knows what plan it would have been, but it could have made her thousands instead of losing her thousands.
- She has suffered considerable trouble and upset caused by the lack of advice and poor investment choices made by deVere.

The adjudicator explained again why this Service could not look at the initial advice to go into the QROPS. Whilst she appreciated why Mrs M was unhappy her view remained the same. The complaint was then referred to me as an ombudsman.

DeVere did not reply to the assessment or provide any further comments for me to consider.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It is clear that Mrs M is unhappy with the advice that she received to start a QROPS plan. As this was on the advice of another business based in Cyprus this is not a complaint that I can consider.

The QROPS plans had a high level of penalties applied if it was to be surrendered. It was noted by deVere that the QROPS was heavily overweight in one investment and that Mrs M was unhappy that the value of this investment had fallen so much.

I have considered the portfolio recommended by deVere for the proceeds that were available in 2014 and I do not consider that it is inappropriate for an individual such as Mrs M with her recorded attitude to risk.

Mrs M replaced deVere as her advisers in January 2016.

It is clearly disappointing for Mrs M that having paid higher fees in the hope of obtaining higher rates of return that these were not achieved. However it is important to note that the higher returns were not guaranteed and unfortunately did not arise.

I have seen that the adjudicator proposed an award of £300 for the distress and inconvenience that Mrs M suffered with regard to an indemnity form that has now been resolved. I consider that this fair and reasonable and I make no further award.

**my final decision**

I uphold this complaint against deVere and Partners (UK) Limited but in part only. I award Mrs M the sum of £300 for the distress and inconvenience she has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 February 2017.

Adrian Hudson  
**ombudsman**