

complaint

Mrs H is unhappy she wasn't told by her LEBC financial adviser (an appointed representative of TenetConnect Limited) about charges that would apply to investments made in her Self Invested Personal Pension (SIPP).

background

In February 2016 Mrs H complained about advice she got from LEBC. She was particularly unhappy with charges she'd incurred as she said she wasn't told about them.

In March 2016 Mrs H's adviser contacted the provider about the charges. On 24 March 2016 the provider replied to the adviser and explained the charges and the charging period for the investments. They explained information about this would've been available when they made the investments for Mrs H online.

In May 2016 TenetConnect explained they couldn't find evidence that Mrs H was given the correct charging structure. They offered to refund £972 of charges. Mrs H didn't accept this first offer as she understood she'd be charged yearly and so asked for an additional years charge. In June 2016 TenetConnect agreed to pay an additional year and offered a total settlement of £1,457. They also offered Mrs H a free financial review which she had to take up within six months. Mrs H accepted the second offer and signed a settlement form in full and final settlement of the complaint.

Mrs H contacted the advisor about the free review in December 2016. During the review process Mrs H was told she'd incur a further (third) annual charge and charges for moving her money. So in February 2017 Mrs H contacted TenetConnect about this. She believed these charges should also be refunded.

In March 2017 TenetConnect explained they believed Mrs H was now fully informed about the charges so they wouldn't be making an additional offer.

Mrs H wasn't happy so contacted us in May 2017. The business and investigator felt we couldn't look into this complaint as it wasn't brought to us within six months of the final response letter. Mrs H didn't agree and the complaint was reviewed. I decided this is a complaint we can consider due to exceptional circumstances.

So we considered the merits of the complaint. TenetConnect believed Mrs H had been overcompensated as she would've still incurred some charges for investing and this wasn't considered during the initial compensation. Mrs H said she didn't know anything about the charges and she believed that TenetConnect concealed the third charge from her. She said she only accepted the offer as she thought she was getting all the charges back and is disappointed this isn't the case. She also said had she known about the fees she would've made investment choices that reduced the fees she would incur.

The investigator believed Mrs H had received more compensation than she would've recommended in the circumstances so didn't uphold the complaint. Mrs H wasn't happy. So the complaint has been passed to me to review.

I've since contacted TenetConnect. I explained that in the circumstances, and without evidence of the charges they believed Mrs H would've incurred, I believed it'd be fair and reasonable to pay the additional fees. They didn't agree.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done this I'm upholding Mrs H's complaint and I'll explain why.

TenetConnect's accepts there's no evidence Mrs H was given information about the charges. Because of this they made an offer to return '*the fees you have or will incur*'. This is what Mrs H understood she'd be getting and what she accepted. But TenetConnect has only returned two out of the three annual charges she's incurred. And they haven't returned the transaction fees she will incur for removing her money from the investment.

TenetConnect has said Mrs H would've still incurred charges had she made other investments and they forgot to take these off the initial offer. This is TenetConnect's mistake. But I have considered this as I think it is reasonable to consider what Mrs H would've done had she known about the fees.

Mrs H says she would've made investment choices that reduced the amount of fees incurred. She's said she would've stayed in a SIPP bank account (in the inner ring) – I have no reason to doubt this. The information I've seen in the provider's literature suggests there are no fees for this.

TenetConnect hasn't provided evidence Mrs H would've acted differently. TenetConnect also haven't given me evidence of the actual fees they think Mrs H may have incurred, they've estimated charges. So I'm not persuaded by this evidence.

The fees involved were clearly important to Mrs H. She accepted the offer for all fees she had or would incur. She was clearly disappointed when she discovered there was a third annual charge. So considering the circumstances and that she has suffered trouble and upset, I think it's fair and reasonable for TenetConnect to fulfil the initial offer and pay the additional annual charge and transaction fees she will incur.

my final decision

For the reasons explained above I'm upholding this complaint.

TenetConnect Limited should pay Mrs H £485 with 8% interest* from the date Mrs H paid this fee (which I believe was September 2017). They should also refund the additional transaction fees of £60 that Mrs H will incur for removing her funds from the investment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 15 February 2018.

Melissa Grove
ombudsman

*If TenetConnect Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs H how much it's taken off. It should also give Mrs H a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.