

## Ombudsman's Determination

|             |                                       |
|-------------|---------------------------------------|
| Applicant   | Mrs N                                 |
| Scheme      | Curtis Banks SIPP ( <b>the SIPP</b> ) |
| Respondents | Curtis Banks ( <b>CB</b> )            |

## Outcome

1. I do not uphold Mrs N's complaint and no further action is required by Curtis Banks.
2. My reasons for reaching this decision are explained in more detail below.

## Complaint summary

3. Mrs N has complained that CB did not inform her that a transfer to Hargreaves Lansdown was not able to proceed.
4. Mrs N has also complained that when she enquired about investing her money CB only provided the name of a company called Stocktrade, who charge higher than market average rates for investment transactions, and was not made aware that there were other investment platforms available to her.

## Background information, including submissions from the parties

5. Mrs N is represented by her husband, a retired financial advisor.
6. When Mrs N took out the SIPP with CB she agreed to be bound by the relevant regulations of the SIPP, which were set out in a "Terms and Conditions" document. This document stated that:

"Investments are made at your direction or that of your appointed advisers. We and Colston Trustees do not give investment advice, are not required to assess the suitability of investments and accept no liability for the choice or performance of individual investments or of your chosen advisers.

...

We have Terms of Business in place with a wide range of investment managers. If you wish to use an investment firm with whom we do not have existing Terms of Business, we will need to undertake due diligence with a

view to putting terms in place with them. There is a charge for this work and there is no guarantee that the Investment Manager will be acceptable”

7. As part of her long to medium term saving strategy, Mrs N sought to make a significant investment via CB.
8. On 26 October 2016, CB received a transfer request from Hargreaves Lansdown.
9. On 28 October 2016, CB queried this request with Hargreaves Lansdown as the value quoted differed to the amount held in the SIPP.
10. As Mrs N had already drawn down funds from within the SIPP, the transfer request was withdrawn by Hargreaves Lansdown on 3 November 2016. Mrs N then explored other avenues of investment.
11. In November 2016, Mrs N asserts that she called CB to discuss her options regarding making an execution only trade and/or investment. CB have been unable to trace any record of this call and Mrs N has confirmed to this office that she cannot be certain when the call occurred.
12. On 8 December 2016, Mrs N requested a Stocktrade application form from CB. Stocktrade provide execution services for SIPPs. On 20 January 2017 CB explained to Mrs N by email that she had other options:

Stocktrade are one of a number of investment portfolios that we use. If you are not happy with the charging structure of Stocktrade, you could provide me an application for another company of your choice and I can arrange for the money to be invested with them. I can send you a list of our panel investment partners, however I am not able to advise which company to invest with, as this will need to be a decision you make.

13. In August 2017, as a result of increased charges by Stocktrade Mrs N transferred her investment to Selftrade, who charged far more modest fees.
14. .
15. In her letter to this office dated 29 November 2017, Mrs N says:

“My husband John Ward is a retired IFA who always researches the market before making investment decisions. On this occasion he was given no choice.

...

Unfortunately we can not [sic] be certain as to the date of the telco [sic] call when my husband was told of Stocktrade.”

## **Adjudicator's Opinion**

16. Mrs N's complaint was considered by one of our Adjudicators who concluded that no further action was required by CB. The Adjudicator's findings are summarised briefly below:-
- CB is the SIPP administrator but is not regulated to give financial advice regarding this SIPP or its underlying investments and operates on an 'execution only' basis.
  - The management of the SIPP, including which investments are made and on what investment platform is Mrs N's responsibility.
  - CB have a number of preferred partners that it enjoys a close working relationship with. However, there is no requirement for a member to select one of these partners, and each member is free to pursue their own investment strategy using any reasonable platform.
  - It is unclear on what date Mrs N asserts she called CB and was told she could only utilise Stocktrade.
  - CB has been unable to trace any call taking place and as no call recording exists, it is unclear exactly what information Mrs N received from CB regarding Stocktrade before 8 December 2016. The Adjudicator found that, at most, CB might have promoted Stocktrade as one of its preferred partners, but only as a result of a direct enquiry by Mrs N.
  - Although the Adjudicator accepted that a call did occur prior to 8 December 2016, he found that there was insufficient evidence to support Mrs N's claim as it could not be established what date the call was made on, and there was no documented evidence.
  - Finally, when the transfer to Hargreaves Lansdown ceased before completion, the Adjudicator found that there was no obligation on the ceding scheme administrators, in this case CB, to confirm to Mrs N that the transfer was not being taken forward.
17. Mrs N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mrs N provided her further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mrs N for completeness.

## **Ombudsman's decision**

18. Mrs N has argued that if she knew there were other investment platforms she would not have chosen Stocktrade due to its "excessive" charging structure.
19. It is clear from the terms of contract the choice of investment manager belonged to Mrs N. The burden of proving that Mrs N was given incorrect information about her

ability to choose where to place her investment lies with Mrs N. Absent any record of a specific conversation which led to her requesting the Stocktrade form, I am not satisfied on the balance of probabilities that CB told Mrs N that she must use Stocktrade. . Moreover, I am not persuaded that she would have acted any differently even if she had focussed on the other choices which were contractually available to her. This is because the email evidence shows that Mrs N was reminded about her right to choose a different service provider in January 2018 but she continued to use Stocktrade.

20. Despite being unhappy with the charging structure, Mrs N did not change investment platform until August 2017, some 8 months after complaining about Stocktrade's charges, and then only in relation to an increase in those charges. In those circumstances I cannot conclude that she suffered any injustice as a result of incorrect information given to her by CB.
21. Finally, I agree with the Adjudicator, as the ceding scheme and so the recipient of the transfer request, it was not CB's responsibility to inform Mrs N that the transfer to Hargreaves Lansdown was not proceeding.
22. Therefore, I do not uphold Mrs N's complaint.

**Karen Johnston**

Deputy Pensions Ombudsman  
18 September 2018