

Pensions and retirement planning

R04: 2025–26 edition

Web update 2: 26 May 2026

Please note the following update (amendments in **bold**) to your copy of the **R04** study text:

Chapter 4, section A2, page 4/5

Please replace the table in the 'Money award' sub-section with the following:

Limit of award	Date complaint referred to the FOS	Date act or omission occurred
£455,000	On or after 1 April 2026	On or after 1 April 2019
£205,000	On or after 1 April 2026	Before 1 April 2019

Chapter 4, section A2, page 4/6

Example 4.1 and the subsequent paragraph should be amended as follows:



Example 4.1

Giles, a trustee of the Jones Family Trust, believes that advice given to the trustees in January 2024 regarding investing the trust assets was unsuitable. In April **2026** he writes to the financial adviser laying out the trustees' complaint. At the date of the complaint the Jones Family Trust had net assets valued at £4,975,000.

The financial adviser rejects the complaint so Giles refers it on to the FOS on 1 July **2026**. At this time the net asset value of the trust has increased to £5,065,000. However, as the net asset value of the trust was below £5,000,000 when the complaint was first made, the FOS is able to handle the complaint.

As the action that gave rise to the complaint occurred after 1 April 2019 and the complaint was made on or after 1 April **2026**, the award limit is **£455,000**.

After an investigation, in November **2026**, the FOS makes a money award of **£435,000** plus costs of £10,000 and interest of £15,000. As the money award does not exceed **£455,000**, the FOS is able to enforce its payment. It is also able to enforce the payment of the costs and the interest because, although the total amount awarded is **£460,000** and therefore exceeds the **£455,000** enforceable limit, the costs and interests are treated separately from the money award.

If in example 4.1 the FOS had made a money award of **£465,000** plus costs of £10,000 and interest of £15,000, it could enforce payment of the money award up to **£455,000** plus the costs and interest of £25,000. But it could only recommend that the balance of the money award (**£465,000 – £455,000 = £10,000**) is paid.

Chapter 4, question 4.2, page 4/6

Derek is unhappy about the advice he received from his adviser in December **2024** and he complained to his adviser on 1 May **2026**. Unhappy with their response, Derek referred the complaint to the FOS on 1 September **2026**. In December **2026**, the FOS notified Derek that his complaint was successful. What is the maximum money award FOS can enforce?

Chapter 4, question answer 4.2, page 4/40

The maximum money award that FOS can make if the complaint is made to them on or after 1 April **2026** and the act causing the complaint occurred after 1 April 2019, is **£455,000**.

Note

- This change will be examined from 1 July 2026.