

# Pensions and retirement planning

## R04: 2024–25 edition

### Web update 4: 16 May 2025

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
<b>£445,000</b>	On or after 1 April <b>2025</b>	On or after 1 April 2019
<b>£200,000</b>	On or after 1 April <b>2025</b>	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 **2025** 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 **2025**. 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 **2025**, the award limit is **£445,000**.

After an investigation, in November **2025**, the FOS makes a money award of **£425,000** plus costs of £10,000 and interest of £15,000. As the money award does not exceed **£445,000**, 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 **£450,000** and therefore exceeds the **£445,000** 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 **£455,000** plus costs of £10,000 and interest of £15,000, it could enforce payment of the money award up to **£445,000** plus the costs and interest of £25,000. But it could only recommend that the balance of the money award (**£455,000** – **£445,000** = **£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 **2023** and he complained to his adviser on 1 May **2025**. Unhappy with their response, Derek referred the complaint to the FOS on 1 September **2025**. In December **2025**, 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 4/39

The maximum money award that FOS can make if the complaint is made to them on or after 1 April **2025** and the act causing the complaint occurred after 1 April 2019, is **£445,000**.

**Note**

- This change will be examined from 1 July 2025.