

**Before the Arbiter for Financial Services**

**Case ASF 034/2025**

**SU**

**(‘the Complainant’)**

**vs**

**Manentia Wealth Consulting Group Limited  
(C 80087) (‘MWC’ or ‘the Service Provider’)**

**Sitting of 30 June 2025**

**The Arbiter,**

Having seen the **Complaint** made against *Manentia Wealth Consulting Group Ltd* (‘MWC’ or ‘the Service Provider’) relating to the discretionary investment management service provided by MWC to the Complainant.

In essence and summary, the Complainant claimed:

1. That MWC mismanaged his withdrawal from one of his accounts, given that it reinvested his withdrawal money and then redeemed the investments to rectify the position all at his expense.
2. That he received a refund of some fees related to these transactions but has not received the full or correct refund.
3. That MWC’s assertion that he made a profit on his two investment portfolios (the *Capital Platform* portfolio and another involving his *RL360 plan* related to his QROPS) was false and inaccurate, as MWC did not select the proper and correct starting dates and method for its calculations.
4. That he has lost money with MWC at a time of unprecedented performance.

### *The Complaint*<sup>1</sup>

The Complainant explained that on 16 May 2024, he confirmed to MWC that he wished to close his Moventum/Capital Platform account which had approximately GBP 650,000 available. Later, they agreed that he would initially take GBP 415,000, with the balance to be withdrawn upon maturity of the structured notes remaining within his portfolio.

On 18 June 2024, he noticed that new purchases had been made for approximately GBP 200,000. He wrote to MWC about this matter and received a confirmation of purchase. The investments were then resold by MWC with the Complainant questioning the front load fees charged on these investments.

The Complainant noted that his initial request was for an apology, however, this was not provided, and so he proceeded to escalate his complaint on 22 September 2024. The matter was subsequently discussed with the Compliance Officer and CEO on 26 September 2024. He claimed that the CEO took control of the discussions and made inaccurate claims and that during the conversation, the CEO verbally withdrew all services with immediate effect. The Complainant replied with an email on the same day and sent another email the following day. The Service Provider eventually informed him that they would work with him to close the account.

The Complainant claimed that he received two reports from the Compliance Officer, which were incomplete and inaccurate. He requested a complete report highlighting the points which were omitted (as per his communication of 14 October 2024). The second report he received was still incomplete and inaccurate, with the report claiming that he had made a profit under MWC's management. The Complainant submitted that this was only possible if one chose spurious starting dates to report performance. He noted that his account was transferred to MWC on 28 December 2021, with a 1.2% engagement fee charged by MWC on 25 January 2022. It was further noted that the Compliance Officer used February 2022 as the starting date in his first report and profitability dates of 5 May and 1 June 2022 in the second report.

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<sup>1</sup> Complaint Form on Page (P.) 1-6 with extensive supporting documentation on P. 7-155

The Complainant reiterated that MWC mismanaged his withdrawal by reinvesting over GBP 200,000 and selling the new investments within a few days at his expense. He asked for his costs to be refunded after receiving no apology. Whilst he received some money, he did not feel the refund was correct.

He explained that after this incident he started looking closely at his investments with MWC only to realise that he had lost money with them in a time of unprecedented performance. He accordingly decided to move to another financial advisor following the lack of apology and performance.

The Complainant explained that after this decision and his escalated complaint, the CEO and Compliance Officer both falsely claimed that he had made a profit with their investments by using incorrect starting dates.

He pointed out that the CEO claimed he had made a 6% return with RL360 but ignored the fact that this was all made before MWC's involvement. The Complainant alleged that the Compliance Officer wrote two inaccurate reports, which indicated totally inaccurate performance and to their benefit. He claimed that the reports should have been honest and accurate.

#### *Remedy requested<sup>2</sup>*

The Complainant requested exact details about the costs of the reinvestments and their sale thereafter, which he claimed resulted due to their poor management. He submitted that the list of costs provided by MWC did not appear complete and that any shortfall should be repaid to him.

As to the investments, he noted that the CEO claimed he had made more than 6% while under their guidance, and the Compliance Officer claimed in writing he had made a profit of 5.25% on the Capital Platform and 4.4% on RL360. Based on the indicated returns, the Complainant calculated a shortfall of GBP 206,680 on his investment portfolios. He indicated that this was his starting claim, but was ready to accept whatever the Arbiter felt was a fair settlement. He also noted that MWC charged him over GBP 71,250 in fees during his time with them and that this must also be taken into consideration.

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<sup>2</sup> P. 4

**Having considered, in its entirety, the Service Provider's reply,<sup>3</sup>**

Where the Service Provider explained and submitted the following:

1. That, at the outset, it reaffirmed its commitment to adhering to the highest standards of conduct and transparency in the provision of investment services. MWC submitted that as a regulated investment firm under the Malta Financial Services Authority (MFSA), it operates in full compliance with the Conduct of Business Rulebook, ensuring all investment management and advisory activities adhere to regulatory obligations and client agreements.
2. The Complainant is alleging:
  - That he instructed MWC to close his account on 16 May 2024 retaining some funds until the maturity of the structured notes;
  - That on 18 June 2024, unauthorised purchases amounting to GBP200,000 were made;
  - That fees were charged for these transactions and that an explanation remains outstanding;
  - That the company failed to provide a satisfactory apology and adequate explanation;
  - That an internal compliance report misrepresented investment performance by using incorrect starting dates;
  - That the client expects GBP 206,680 for what he would have possibly gained if his investment went up with some parts of the market.
3. MWC's position and response are as follows:
  - a) *Account closure and investment transactions*

The Service Provider noted that the client initially requested to close his account on 16 May 2024 but later agreed to retain a portion of the funds

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<sup>3</sup> P. 162 - 166 with attachments on P. 167 - 247

until the maturity of structured notes. It noted that there was no explicit instruction to immediately liquidate all holdings.

It submitted that investments made in June 2024 were executed in line with the discretionary investment management agreement which remained in effect until an official termination request was received.

MWC noted that these transactions were not unauthorised and followed standard investment procedures.

It submitted that the transactions were rectified and the associated costs reimbursed.

*b) Transaction Fees and Charges*

MWC submitted that all fees applied were fully aligned with the client agreement and MFSA regulations and that the company upholds full cost transparency as per MFSA's disclosure requirements. As a gesture of goodwill, certain fees were refunded. A full reconciliation of fees and charges is listed in its reply.<sup>4</sup>

It further noted that the said calculations were based on the information provided to the firm and that if the Complainant wants MWC to re-check the calculation, he needs to provide it with his workings or access to the provider as it no longer has access to his account.

*c) Investment Performance and Alleged Shortfall*

The Service Provider noted that the Complainant disputes reported performance figures, where he is alleging the use of incorrect starting dates.

MWC submitted that its Compliance Department's assessment is based on factual transaction records, using industry-standard performance calculations and client account history. It further submitted that investment performance is inherently variable, and it does not, nor can

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<sup>4</sup> P. 163

it, guarantee specific returns. It was also that compensation claims based on missed potential profits are not a legally supported basis for financial claims.

d) *Compensation Claim for Missed Potential Profits*

MWC submitted that the claim that it should compensate for unrealised profits is not supported by regulatory or legal precedent. Investment risk is borne by the client, and market fluctuations cannot be used as grounds for compensation. It further noted that the client always had the right to terminate the agreement and self-manage his portfolio.

e) *Handling of the Complaint and Compliance Reports*

It was pointed out that the Complainant had initially requested an apology, which was provided. He then later escalated the complaint to request reimbursement of fees, which was also granted.

MWC noted that the complaint shifted from an apology request to a reimbursement of fees to a demand for compensation for potential missed gains, which is beyond the scope of regulatory obligations.

It submitted that the two compliance letters/reports were prepared objectively based on factual financial data. The claim that these reports were misleading is incorrect.

f) *Portfolio Performance*

As communicated in its letter dated 18 October 2024, MWC is of the understanding that the performance result is as follows from the time the accounts were transferred to its management:

- *Capital Platforms*: Between 5 May 2022 (the date of the Portfolio Management Agreement) and 3 June 2024 (prior to withdrawals), the portfolio generated a total return of 10.5%, equating to approximately 5.25% p.a., consistent with the 'Balanced' risk profile selected.

- *RL360*: From the period from 1 June 2022 (post-major withdrawals) to 16 October 2024, the portfolio yielded an 8.83% total return, or around 4.4% p.a. While slightly below the annual target for a 'Moderately Adventurous' portfolio, this shorter investment timeframe does not fully reflect the long-term objectives aligned with his investment strategy.

It submitted that its calculations indicate that both accounts generated positive returns under its management.

*g) Regulatory and industry considerations*

MWC submitted that it fully complies with the MFSA's Conduct of Business Rulebook, which outlines the fiduciary duties of investment firms in managing client portfolios. Additionally, ESMA guidelines state that investment advice and portfolio management must align with market conditions and best execution policies.

It noted that market risk-sharing principles dictate that no firm can guarantee investment returns, and compensation for hypothetical lost profits is not a legally supported claim. Entertaining such claims would set a precedent that could hold all investment firms liable for market-driven variations, which is neither practical nor enforceable.

*h) Conclusion and requested outcome*

MWC maintains that all actions taken were within the scope of the discretionary investment mandate. The fees applied were in accordance with the client agreement and MFSA's disclosure rules. Furthermore, no unauthorised transactions occurred, and all investment decisions followed due process. It further submitted that the client's claim for compensation based on hypothetical profits is not valid, as no investment firm can be held liable for market underperformance.

The Service Provider explained that whilst it understands the client's frustration, it has acted in good faith and already provided certain refunds as a goodwill gesture.

MWC accordingly requested that, given the circumstances, the claim for additional compensation be dismissed as it lacks regulatory and contractual merit.

i) *Timeline of events*

The reply also included a timeline of events, as narrated by the financial adviser, for the period 16 May 2024 to 6 September 2024.<sup>5</sup>

### **The Merits of the Case**

**The Arbitrator will decide the Complaint by reference to what, in his opinion, is fair, equitable and reasonable in the particular circumstances and substantive merits of the case.<sup>6</sup>**

The Arbitrator is considering all pleas raised relating to the merits of the case together to avoid repetition and to expedite the decision as he is obliged to do in terms of Chapter 555<sup>7</sup> which stipulates that he should deal with complaints in ‘*an economical and expeditious manner*’.

### **Background**

The Complainant had moved two portfolios with MWC as follows:<sup>8</sup>

- Portfolio 1: *Capital Advisory Platform (Moventum)* with a value of over GBP 600,000.<sup>9</sup>
- Portfolio 2: *RL360* (policy plan within the Complainant’s QROPS – the *Momentum Malta Retirement Trust*) with value of over GBP 1.6 million.<sup>10</sup>

MWC was given a discretionary investment management mandate in respect of the said portfolios.<sup>11</sup>

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<sup>5</sup> P. 165 - 166

<sup>6</sup> Cap. 555, Art. 19(3)(b)

<sup>7</sup> Art. 19(3)(d)

<sup>8</sup> P. 10, 72 & 164

<sup>9</sup> P. 141

<sup>10</sup> *Ibid.*

<sup>11</sup> P. 164



### *Purchase of investments after the withdrawal instructions*

The Complainant requested a withdrawal instruction on his Capital Advisory Platform on 17 May 2024. Notwithstanding his request, six investments were purchased (in May and June 2024) after the Complainant's withdrawal instructions. Investments were made into:<sup>12</sup>

1. *Aegon Hi Yield Glob Bond B GBP Acc*
2. *Jupiter Dynamic Bond D GBP Acc*
3. *Alquity Indian Subconti Y GBP Acc*
4. *VAM US Small Cap Growth E USD Acc*
5. *Pictet Global Em Debt P USD Acc*
6. *E.I. Sturdza Nippon Growth A Eur*

The said purchases and their subsequent redemptions are considered in detail further on in this decision.

### *Commencement & termination of service*

MWC started providing the discretionary portfolio management service to the Complainant in 2022.<sup>13</sup> The relationship between the Complainant and MWC was formally terminated in October 2024.<sup>14</sup>

### *Decree of 2<sup>nd</sup> May 2025 and additional feedback*

In his decree of 2 May 2025, the Arbiter requested the Complainant to provide certain clarifications and information relevant to the case under consideration as follows:<sup>15</sup>

- a) *Claim of investment under-performance* - With respect to the calculation of 'lost money' or 'shortfall' claimed by the Complainant on his investment

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<sup>12</sup> P. 59 & 83

<sup>13</sup> P. 10

<sup>14</sup> P. 62

<sup>15</sup> P. 249 - 250

portfolios, indicated in his Complaint as GBP 206,680,<sup>16</sup> the Complainant was requested to clarify whether he is complaining that the claimed shortfall is due to any action/s of the Service Provider not falling within the agreed discretionary investment mandate, and if so, what wrongdoing was being alleged to have been carried out in this regard.

- b) *Claim involving charges* – With reference to the charges applied by MWC<sup>17</sup> the Complainant was requested to clarify the charges, if any, applied not in accordance with the agreed discretionary investment mandate entered into between the parties.

The Complainant was also requested to elaborate on the reasons why it is claimed that the list of fees refunded by MWC relating to the reinvestment and sales '*does not appear to be complete*'.<sup>18</sup>

- c) *Re-investments* – The Complainant was requested to clarify and explain whether the reinvestments in respect of the Capital Platform portfolio that were done notwithstanding the Complainant's instructions of 17 May 2024, caused him any realised loss or damage. He was asked to provide a breakdown thereof, taking into consideration the applicable market gains/losses resulting on the disposal of the reinvestments and the refund of transaction fees paid by MWC.<sup>19</sup>

The Complainant was also requested to provide an updated table (included in his email of 4 July 2024),<sup>20</sup> listing the ultimate position in respect of the reinvestments.

The following is a summary of the clarifications and explanations subsequently provided by the Complainant:

- (i) Reference was made to the claim made by MWC's CEO that the RL360 account yielded a return of 6%+ and the reference to a return of 8.83%

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<sup>16</sup> Page (P.) 4

<sup>17</sup> Of GBP 71,250 – P.4

<sup>18</sup> P. 4

<sup>19</sup> Email of 9 October 2024 - P. 167

<sup>20</sup> P. 83

or 4.4% p.a. made by MWC's Compliance Officer. The Complainant then provided a table with his detailed calculations of the Profit or Loss on the RL360 over the period 22/01/2022 to 02/08/2024. The table indicates a calculated loss of -GBP 35,504.80 and a revised claim of compensation by the Complainant of GBP 191,496.69 (down from his original calculated shortfall of GBP 206,680) taking into consideration the 4.4% profit claimed by MWC.<sup>21</sup>

The Complainant emphasised that:

*'My claim is based upon the facts that MWC have continued to state that under their guidance, profits of 4.4% per annum were achieved. Given this continu[ous] claim then the transfer value was under paid by £191,496.69'.<sup>22</sup>*

He also clarified that a previously included shortfall in Capital Platforms has now been removed.

- (ii) The Complainant noted that MWC stated that fees were refunded '*as a gesture of goodwill*'. However, he questioned why MWC had not refunded all of the fees. He attached details of front loading and settlement charge and submitted that despite MWC stating that the front-loading fees would be credited he had no proof this had occurred.

He then referred to various comments and statements made by MWC which confirmed their serious error and claimed that the Service Provider was hiding behind the excuse of the discretionary mandate. The Complainant also included a document highlighting the costs he was aware of, but which did not include all of the costs.<sup>23</sup>

- (iii) A table detailing the purchases and sale of the six investments and the resulting outcome from such transactions was also included by the

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<sup>21</sup> P. 252

<sup>22</sup> P. 253

<sup>23</sup> P. 253 & 255

Complainant as requested.<sup>24</sup> Additional supporting documents were also provided by the Complainant.<sup>25</sup>

A formal response to the points raised (together with supporting documents) subsequently followed from the Service Provider.<sup>26</sup>

Following the clarifications and additional information, a hearing was held on 14 May 2025, during which the parties had the opportunity to cross-examine and provide further explanations about the issues subject of this Complaint.<sup>27</sup> The parties subsequently made their respective final submissions.<sup>28</sup>

The Arbiter shall next proceed to detail his final observations and considerations relevant to the main issues raised in the Complaint.

### **Observations and Final Considerations**

In summary, the two key aspects of this Complaint are:

- (i) The requested refund of all fees related to the new transactions (the reinvestments and redemptions) undertaken following the Complainant's instructions, in May 2024, to take out all funds from the Capital Platform account; and
- (ii) The claimed investment underperformance on his RL360 policy and QROPS scheme.

A timeline of key communications relevant to these aspects, which provides further context, is outlined in the next section.

Certain new aspects raised by the Complainant in his final submissions - such as the claim of a second incident where MWC ignored his written instruction to halt the discretionary mandate by selling the *Shell PLC* investment in September 2024, and/or the right of access to information by MWC to his RL360 account

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<sup>24</sup> P. 256

<sup>25</sup> P. 257 - 270

<sup>26</sup> P. 272 - 327

<sup>27</sup> P. 328 - 332

<sup>28</sup> With the Complainant's summary of his final submissions on P.333 – 336 and the Service Provider's summary of their final submissions on P. 337 - 367

after the end of their relationship - will not be delved into by the Arbiter given that these aspects were not part of the original complaint and proceedings but only raised in the final submissions.<sup>29</sup> Such matters do not impinge, in any case, on the outcome of this Complaint.

### Timeline of key communications

The following is a timeline of key communications as emerging from the documentation produced during the case:

- a) 16 May 2024 – Complainant informed MWC that he wanted to drawdown and *‘to cash £350,000 - £450,000 in the next 2/3 months if that is possible’*, leaving other investments like the notes and recent purchases to drawdown when the notes mature.<sup>30</sup> The QROPS portfolio was to be left in its entirety to continue to grow.
- b) 17 May 2024 – MWC confirmed that they could begin the process for the withdrawal request *‘immediately to avoid any disappointment’*, pointing out that MWC was unfamiliar *‘with Capital Platforms withdrawal process’* but will assist on the withdrawal *‘to make the process a painless as possible’*. MWC also requested the Complainant to confirm the exact amount he required.<sup>31</sup>
- c) 17 May 2024 – Complainant confirmed that he *‘would like to take out all available funds’* from the Capital Platform account. He indicated that the structured notes of around GBP 200,000 *‘will need to remain and wait till maturity’*.<sup>32</sup> The money from these investments was to be transferred following maturity.
- d) 17 May 2024 – MWC indicated that on the Capital Platform account the Complainant had GBP 654,678 of which GBP 229,578 was in (structured) notes. MWC suggested the Complainant to withdraw GBP 415,000 and leave GBP 10,000 available for fees. The Service Provider indicated that it will waive the normal withdrawal fee of GBP 350.<sup>33</sup>

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<sup>29</sup> P. 336

<sup>30</sup> P. 17

<sup>31</sup> P. 15 - 16

<sup>32</sup> P. 15

<sup>33</sup> P. 14

- e) 20 May 2024 – Complainant sought clarifications from MWC for a breakdown of the deductions to be made in the Capital Platform portfolio when converting to cash.<sup>34</sup>
- f) June 2024 – Various communications ensued regarding the verification and process with Capital Platform for the requested redemption and withdrawal.<sup>35</sup>
- g) 18 June 2024 – Email exchanges regarding the process for the selling of his funds. MWC noted that certain investment purchases were rejected, with the Complainant then seeking clarification.<sup>36</sup>
- h) 18 June 2024 – MWC informed the Complainant that his *‘withdrawal amount is GBP 415,000 as requested, however as some of the funds can’t yet be sold not all the cash is available yet’*.<sup>37</sup>
- i) 27 June 2024 - Complainant queried certain purchases and sales done in June 2024.<sup>38</sup>
- j) 1 July 2024 – MWC provided an update from its operations team and noted that *‘No commissions are paid out, but some small trading fees so all fine’*.<sup>39</sup> In the email of the operations team, it was indicated the following:

*‘... there were buy orders placed in the middle of June due to a large positive cash balance and no cash position justification in Zoho for the stated account. After this, the assets that were purchased were sold to make the cash for the withdrawal available.*

*At the moment the cash position is €334,828.32*

*A number of funds are still due to be settled.*

*VAM US Small Cap Growth E USD Acc ...*

*Heptagon Kop Glo AI-C Eq IG GBP Acc ...*

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<sup>34</sup> P. 119 - 120

<sup>35</sup> P. 105 – 115 & 183

<sup>36</sup> P. 102 - 103

<sup>37</sup> P. 99

<sup>38</sup> *Ibid.*

<sup>39</sup> P. 22

*Heptagon Fut Trends Eq CG GBP Acc ...*  
*E.I. Sturdza Nippon Growth A EUR ...*  
*Alquity Indian Subconti Y GBP Acc ...'.<sup>40</sup>*

- k) 3 July 2024 – Complainant asked MWC to advise him when the funds will be transferred and *'what are the small trading fees'*.<sup>41</sup>
- l) 4 July 2024 - Complainant expressed his concern about the lack of control on the Capital Platform portfolio following his request to withdraw funds.<sup>42</sup> He explained that following his cash balance MWC *'decided to reinvest without consultation. They reinvested over £200,000 in three currencies'*.<sup>43</sup> The Complainant included tables explaining how this affected his positions. He expressed his concern that MWC retained funds which were losing money, sold a fund which was making and continued to make profit and that there were also delays in the sale of funds whose value continued to drop and which affected him badly.
- m) 4 July 2024 – Exchanges between the Complainant and MWC's Chief Operations Officer where the Complainant was also informed that the team will look into and reply to his concerns.<sup>44</sup>
- n) 1 August 2024 – With respect to the concerns raised, MWC *inter alia* explained that:

*'the dealing team was allocating the extra cash from the portfolios. Given that you have a discretionary mandate and no restrictions, **the request to avoid reinvesting the cash was overlooked and the money was reinvested to make sure the portfolio is not sitting in cash.** When considering the magnitude of cash even a relatively small move that can and does occur daily would render the trading fees insignificant'*.<sup>45</sup>

MWC clarified that the dealing fees were in the region of £200 and provided other explanations about the position taken in respect of some of

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<sup>40</sup> P. 23

<sup>41</sup> P. 22

<sup>42</sup> P. 83 - 84

<sup>43</sup> P. 83

<sup>44</sup> P. 89 - 90

<sup>45</sup> P. 88 – Emphasis added by the Arbiter



the fund investments. The Service Provider also explained that his Capital Platform portfolio *had 'returned net 3.24% annualized return over the 4-year period that was known to be significantly unstable and volatile ...'*<sup>46</sup>

- o) 2 August 2024 – Complainant replied that despite there being a discretionary investment mandate he had *'given specific written instructions to sell'* his Capital Platforms portfolio.<sup>47</sup> He claimed that MWC's errors brought him additional costs.

Reference was made to the front load fee of €951.80 on the *E.I. Sturdza Nippon Growth A EUR fund* in this regard. The Complainant further claimed that MWC's figures about the return on his investments were wrong and complained about the lack of performance of the portfolios managed by MWC as compared to his *Debeka* investment.

With immediate effect he withdrew the discretionary mandate to MWC on his Capital Platforms portfolio and reiterated his intention to cash in this account and transfer the proceeds to his bank.

In the same email, he also withdrew the discretionary mandate to MWC on his RL360 portfolio involving his QROPS. The trustee of his Retirement Scheme (Momentum Pensions) was copied in accordingly.

- p) 9 August 2024 – Exchanges between MWC and Capital Platforms were made to verify the position with respect to the rebate of fees to the Complainant.<sup>48</sup>
- q) 28 August 2024 – MWC spoke to and emailed the Complainant about the instructed redemption of two investments (the Shell equity position and the 2.75% Gilt of 07.09.2024) and the investment of the proceeds thereof into the *'Alquity India Fund'*.<sup>49</sup>

Complainant replied thanking MWC for the update.<sup>50</sup>

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<sup>46</sup> *Ibid.*

<sup>47</sup> P. 87

<sup>48</sup> P. 219

<sup>49</sup> P. 31

<sup>50</sup> P. 345



- r) 6 September 2024 – Complainant instructed MWC not to buy or sell any investments on his behalf (on his Momentum QROPS account) until further notice. He expressed his dissatisfaction with the year's performance and referred to his previous suggestions for the sale of the *Aberdeen European Logistics* investments which continued falling. He claimed that since his transfer with MWC in January 2022, he has lost '*£41,767 in a time that markets have surged ...*',<sup>51</sup> whilst his '*Debeka*' portfolio '*have risen by 10.58% over the same period*'.<sup>52</sup>

The Complainant also reiterated his wish to close the [Capital Platform] Moventum account as soon as the structure note matures.

- s) 6 September 2024 – MWC replied to the Complainant's concerns noting that it was under the impression that it had addressed the issues raised. The Service Provider explained that they would be happy to reconvene if there are any further details or areas where clarification was needed in order to ensure all matters are fully understood. MWC further indicated that their staff '*has been instructed to ensure no trades are placed on your accounts until further notice*'.<sup>53</sup>
- t) 6 September 2024 – Complainant sent an e-mail to MWC claiming that '*if you look closely at my account you will come to the same conclusion as me, I have lost money*',<sup>54</sup> where he claimed that his investments went down with the market but did not recover with the market. He asked for someone to analyse his account.

The Complainant further claimed he lost '*£147,871 or 11.36% in my first year and have never recovered but the markets have charged forward ...*'.<sup>55</sup>

He referred to the expected returns discussed with MWC and the lack of growth on his QROPS account.

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<sup>51</sup> P. 30

<sup>52</sup> *Ibid.*

<sup>53</sup> P. 40

<sup>54</sup> P. 39

<sup>55</sup> *Ibid.*

The Complainant also noted that he still awaits to hear whether *'Capital Platform have credited the £951.80 front load or to be clearly told that this again is a loss'*.<sup>56</sup>

- u) 10 September 2024 – MWC informed him that Capital Platforms has confirmed *'that all fees that were charged are now rebated to the account'*.<sup>57</sup>
- v) 10 September 2024 – Complainant informed MWC that he still had not seen the refund from his Capital Platform statement.<sup>58</sup>
- w) 11 September 2024 – MWC updated the Complainant with the answer received from Capital Platforms about the retention of 5% of the front load fee rebate. An email from Capital Platforms bearing the same date was also provided with explanations of the calculation of the front load fee (of EUR 951.80) in respect of the *El Sturdza* fund purchase and the amount (of EUR 904.21) being rebated.<sup>59</sup>
- x) [September] 2024 – Formal complaint made by the Complainant with MWC where he *inter alia* submitted that *'I moved my investments of £2.3 million ... in February 2022 and since that time I have lost in my two different portfolios over £30,000. One has actually made a small profit but my QROPS has been an unmitigated disaster'*.<sup>60</sup>

He referred to the *Aberdeen European Logistics* investment which he claimed had dropped by 45% and also other suggestions he had made on investments like on *Apple* which had increased in value.

He also referred to the reinvestments made [on his Capital Platform account] when he had already notified his decision to withdraw the money held in this account.

The Complainant summarised his formal complaint as being the *'Unacceptable poor performance of my investments in a time that the*

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<sup>56</sup> *Ibid.*

<sup>57</sup> P. 96

<sup>58</sup> *Ibid.*

<sup>59</sup> P. 25 - 26

<sup>60</sup> P. 37

*markets have surged to record heights ... No control over who or when investments are made ... Never discussing actual monetary performances with me*'.<sup>61</sup> He requested to be refunded of *'all costs relating to the reinvestment'* and further noted that he *'simply cannot continue to make a loss on such an important part of my retirement fund'*.<sup>62</sup>

- y) 23 Sept 2024 - Request by MWC for a call to be held between MWC's Group Head of Compliance, its CEO and the Complainant.<sup>63</sup>
- z) 26 Sept 2024 – The Complainant sent an email to MWC referring to the call held earlier on the same day with MWC, where MWC informed him that it *'would no longer honor the agreement ... to convert my investment in Capital Platform into cash once the Structured Note matures in early October'*.<sup>64</sup> The Complainant requested MWC to honour this agreement, to *'also refund the dealing charges I have incurred regarding the reinvestment'* and the waiver of the *'£350 withdrawal fee'*.<sup>65</sup>
- aa) 27 Sept 2024 – In his further email to MWC, the Complainant referred to his call of 26 September with the CEO and MWC's *'verbal withdrawal of all service regarding my Moventum/Capital Platform account'*, which account was in the process of being closed. He stated to MWC that *'To withdraw your service both damages me financially and causes me undue anxiety. I will be left in the position of finding another financial advisor to close my account. This will be both difficult and expensive and totally unjust'*.<sup>66</sup>

The Complainant further stated that to resolve his complaint he requested that he is credit with *'all additional charges relating to the mismanagement of my account when new funds were purchased and then sold'*, and that he is not *'charged the £350 closure fee'* as agreed previously with MWC.<sup>67</sup> He also noted that *'The remaining balance of my Moventum/Capital Platform account must be sold once the structured note matures in early October. The funds are to be transferred to my HSBC account as was done with my*

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<sup>61</sup> *Ibid.*

<sup>62</sup> *Ibid.*

<sup>63</sup> P. 7

<sup>64</sup> P. 48

<sup>65</sup> *Ibid.*

<sup>66</sup> P. 47 - 48

<sup>67</sup> P. 48

*£415,000 in July 2024’.*<sup>68</sup> He also stated that he will not take further action if MWC complies with his requests, otherwise he will escalate his complaint.

- bb) 27 Sept 2024 – MWC *inter alia* informed the Complainant that the threatening nature of his emails were not appreciated and that he had no case against it.<sup>69</sup>
- cc) 8 Oct 2024 – MWC sent the Complainant an email listing the fees (of GBP 100, of USD 84 and EUR 50 in total) that they *‘need to refund [the Complainant] for fees that [the Complainant] incurred on trades when the cash was reinvestd before [the Complainant’s] recent withdrawal’.*<sup>70</sup>
- dd) 9 Oct 2024 – MWC confirmed that it *‘arranged a payment of GBP 206 in respect to the fees refund’.*<sup>71</sup>
- ee) 10 Oct 2024 – MWC sent its formal reply to the complaint made by the Complainant.<sup>72</sup> The Service Provider confirmed that the relationship with the Complainant *‘has now been formally terminated’* and that *‘Despite the termination, MWC Group Ltd will make every effort to ensure a smooth transition of your portfolio to your selected investment adviser’.*<sup>73</sup>
- ff) 10 Oct 2024 - The Complainant emailed MWC stating that its reply *‘falls far short of an accurate account of the situation’* and for MWC to reconsider its response.<sup>74</sup>
- gg) 14 Oct 2024 – The Complainant reverted with a list of points where he considered the Compliance Officer’s report/reply *‘failed to document’.*<sup>75</sup>
- hh) 18 Oct 2024 – Additional reply sent by MWC to the Complainant’s comments.<sup>76</sup> MWC explained *inter alia* that the Capital Platform portfolio *‘generated a total return of 10.5%, equating to approximately 5.25% p.a.’*

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<sup>68</sup> *Ibid.*

<sup>69</sup> P. 46

<sup>70</sup> P. 168

<sup>71</sup> P. 167

<sup>72</sup> P. 56 & 61

<sup>73</sup> P. 62

<sup>74</sup> P. 67

<sup>75</sup> P. 65

<sup>76</sup> P. 11

whilst the RL360 portfolio 'yielded an 8.83% total return, or around 4.4% p.a.'. <sup>77</sup>

## Final observations and conclusions

### *Claimed refund of all fees charged relating to the reinvestments undertaken on the Capital Platform account*

It is noted that the issue of fees does not involve fees not charged in accordance with an agreed mandate. The dispute in question concerns the expected reimbursement of expenses incurred on the six investments undertaken by the Service Provider at a time when MWC was instructed to effectively liquidate the portfolio.

Whilst certain fees were reimbursed by the Service Provider, the Complainant claimed that he expected to be reimbursed also on other fees he incurred in respect of such transactions (particularly mentioning the crediting of front-loading fees), irrespective of the trading gains resulting on the investments.

It is noted that in his final submissions, the Complainant stated *inter alia* that:

*'While I have been credited some moneys, MWC state that they have refunded the trading fees **under their control**. I expect **all** fees. As you are aware all parties take money when funds are purchased and sold and while I cannot provide full details, I am aware that Moventum and Capital Platform take fees and these should be fully refunded'.<sup>78</sup>*

The Arbiter observes that it is undisputed that trading gains resulted in total on the redemption of the six investments as clearly outlined in the updated table presented by the Complainant himself.<sup>79</sup> In his final submissions, the Complainant stated:

*'MWC make great play regarding the fact that these error investments made profit. It must be remembered that I have provided this information regarding fund performances at the outset and since because transparency*

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<sup>77</sup> P. 72

<sup>78</sup> P. 334 – Emphasis added by the Complainant

<sup>79</sup> P. 256

*in business transactions is important to me. In this instance I simply see this profit as a small win for me’.*<sup>80</sup>

The Service Provider also confirmed that a profit resulted. In its final submissions, MWC stated:

*‘[The Complainant] ultimately made a profit of £5’130 on these trades. In light of this, we respectfully submit that no financial loss occurred ...’.*<sup>81</sup>

It is furthermore noted that on its part, the Service Provider asserted that whilst it ‘*refunded all trading costs under [its] control*’, the ‘*front-loading fees ... were automatically rebated to his portfolio cash account by the provider*’.<sup>82</sup> To substantiate its position in this regard, MWC referred to and presented a copy of the Cash Transaction Statement issued by Moventum/Capital Advisory Group.<sup>83</sup> MWC highlighted internal cash transfers indicated on this account for +GBP 1.61 on 18 June 2024, +USD 3.65 on 3 Jul 2024 and +EUR 904.21 on 25 June 2024,<sup>84</sup> which were rebated specifically on the *Jupiter Dynamic Bond*, the *Pictet Global Em Debt* and *E.I Sturdza Nippon Growth* respectively as also confirmed in an internal email of 8 August 2024.<sup>85</sup>

In case of investment errors, it is fair and reasonable for a client to, at least, be put back into the original position before such error by refunding any losses. In the case in question, it has not been proven that the Complainant suffered a monetary loss or damage overall as a consequence of the investments undertaken in ‘*error*’.<sup>86</sup> The Complainant rather experienced a net gain overall from the reinvestments.

According to the official Cash Transactions Statement issued by Moventum/Capital Advisory Group,<sup>87</sup> there were the following entries (account movements) in respect of the six investments (which entries are inclusive or net of the

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<sup>80</sup> P. 335

<sup>81</sup> P. 342

<sup>82</sup> *Ibid.*

<sup>83</sup> P. 353 - 367

<sup>84</sup> P. 355, 356 & 358

<sup>85</sup> P. 323 - 324

<sup>86</sup> P. 334

<sup>87</sup> P. 353 - 361

respective applicable security transaction fees reflected in the Security Transactions Statement):<sup>88</sup>

**Table A**

1. <i>Aegon Hi Yield Glob Bond B GBP Acc</i> – Withdrawal of GBP 11,499.97 on 17 May 2024 and another withdrawal of GBP 38,735.69 on 13 June 2024 (for purchases) and a receipt of GBP 50,281.89 (from the sale) on 28 June 2024, yielding a net positive gain of + GBP 46.23. <sup>89</sup>
2. <i>Jupiter Dynamic Bond D GBP Acc</i> – Withdrawal of GBP 38,796.68 (for the purchase) on 13 June 2024 and receipt of GBP 40,334.20 (from the sale) on 3 October 2024, yielding a positive net gain of + GBP 1,537.52. <sup>90</sup>
3. <i>Alquity Indian Subconti Y GBP Acc</i> – Withdrawal of GBP 33,683.01 (for the purchase) on 14 June 2024 and receipt of GBP 34,084.40 (from the sale) on 28 June 2024, yielding a positive net gain of + GBP 401.39. <sup>91</sup>
4. <i>VAM US Small Cap Growth E USD Acc</i> - Withdrawal of USD 42,113.41 (for the purchase) on 13 June 2024 and receipt of USD 42,029.70 (from the sale) on 27 <sup>th</sup> June 2024, yielding a negative net position of –USD 83.7. <sup>92</sup>
5. <i>Pictet Global Em Debt P USD Acc</i> - Withdrawal of USD 32,400 (for the purchase) on 21 June 2024 and receipt of USD 34,344.80 (from the sale) on 3 <sup>rd</sup> Oct 2024, yielding a positive net gain of +USD 1,944.8. <sup>93</sup>
6. <i>E.I. Sturdza Nippon Growth A Eur</i> - Withdrawal of EUR 32,703.60 (for the purchase) on 19 June 2024 and receipt of EUR 33,567.68 (from the sale) on 2 Jul 2024, yielding a positive net gain of +EUR 864.07. <sup>94</sup>

<sup>88</sup> P. 365 - 366

<sup>89</sup> P. 355, 365 & 366

<sup>90</sup> P. 356

<sup>91</sup> P. 355

<sup>92</sup> P. 356

<sup>93</sup> *Ibid.*

<sup>94</sup> P. 358



Whilst the above figures do not exactly match the gains indicated by the Complainant (as the above figures rather reflect a lower gain than that indicated by the Complainant in his table),<sup>95</sup> it is nevertheless quite evident that the Complainant benefited from realised net trading gains that overall resulted from the said investments, even when taking into account transaction fees.<sup>96</sup>

The official Security Transactions Statement issued by Moventum/Capital Advisory lists the following transaction fees (which are already all reflected in the figures in Table A above, reflecting the calculation of the trading gain):<sup>97</sup>

**Table B**

	CCY	Security Transaction fees	Related to:
<i>Aegon Hi Yield Glob Bond B GBP Acc</i>	GBP	20	Purchase
	GBP	20	Purchase
	GBP	20	Sale
<i>Jupiter Dynamic Bond D GBP Acc</i>	GBP	78.08	Purchase
	GBP	20	Sale
<i>Alquity Indian Subconti Y GBP Acc</i>	GBP	104.16	Purchase
	GBP	20	Sale
<i>VAM US Small Cap Growth E USD Acc</i>	USD	133.21	Purchase
	USD	28	Sale
<i>Pictet Global Em Debt P USD Acc</i>	USD	108.73	Purchase
	USD	28	Sale
<i>E.I. Sturdza Nippon Growth A Eur</i>	EUR	976.80	Purchase
	EUR	25.00	Sale

Apart from the overall net trading gains indicated in Table A above, the Complainant benefited from an additional rebate by MWC to his account (of GBP 1.61, EUR 904.21, and USD 3.65, as also indicated above). The rebated fees

<sup>95</sup> P. 256

<sup>96</sup> The only (small) negative position emerging is on the VAM US Small Cap Growth Fund (of -USD 84) which is offset by the four-figure gain (of over USD1,900) on another USD investment (Pictet Global).

<sup>97</sup> P. 365 - 366



were on top of the trading gains (which were already net of fees). The Complainant thus ended with an overall net benefit of approximately GBP 5,000.

Whilst the Complainant acknowledged the positive trading gains, he expected to be refunded on all fees, which he claimed might have been deducted by third parties and not only those under MWC's control. No such other fees have, however, been quantified by the Complainant, nor are they apparent from the official Cash Transactions and Security Statements.<sup>98</sup>

In the absence of any net negative position being proven or resulting to have occurred from the investments erroneously undertaken, the Arbiter finds no reasonable and justifiable basis on which he can uphold the Complainant's request.

As outlined in the above analysis, the realised trading gains achieved on the indicated investments were not only to an extent that they already made good and far exceeded the fees charged, but MWC additionally rebated fees enhancing the benefits gained by the Complainant even further.

**In the particular circumstances, the Arbiter is outrightly dismissing the Complainant's general and frivolous claim for further compensation on top of the overall resulting trading gains (which were already net of fees) and additional rebates gratuitously paid to him by MWC.**

**Had the error resulted in a loss detrimental to the Complainant, the Arbiter would have ordered for refund of such losses to put the Complainant back into his original position. The fact that the resulting trading profits have been fully credited to the Complainant (creating a situation of heads I win, tails you lose situation) do not justify his complaint even more so when MWC further refunded fees as indicated.**

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<sup>98</sup> P. 353 - 361

### *Claimed investment underperformance*

The issue raised about investment underperformance involves disagreement between the parties on the extent of return, if any, made on the investment portfolio underlying the RL360 policy and Retirement Scheme.

The main wrongdoing claimed by the Complainant, in essence, is that if the return on portfolio was really 4.4% per annum as indicated by MWC, then he was *'underpaid by £191,496.69'*.<sup>99</sup> A breakdown of how the Complainant calculated this amount was provided in his reply of 8 May 2025.<sup>100</sup>

During the hearing of 14 May 2025, the Complainant further testified *inter alia* that:

*'I am being asked whether it is correct to say that my claim is based on the fact that I am assuming a 4.4% return per annum of the portfolio which is a statement that the service provider supposedly made to me. Also, that the figure of £191,496 is based on this assumed 4.4% return that the service provider supposedly made the statement to me.*

*I say that is correct. I have calculated from the start date. Which I took as the 22<sup>nd</sup> January 2022 until I withdrew my mandate. I confirm I calculated my claim on 4.4%'.<sup>101</sup>*

It is noted that the Complainant contested the basis of the Service Provider's calculation of the return on the portfolio. He contested the dates used by MWC for the calculation of the return and, also, the method of calculation (the Time-Weighted Return). In his final submissions, the Complainant reiterated:

- MWC have used start and end dates to benefit their claimed performance rather than actual start and withdrawal of mandate date to calculate returns. This has been a great annoyance ...*
- MWC have used the gross return (including fees) which is not industry standard practice, investors measure net performance. Presenting*

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<sup>99</sup> P. 253

<sup>100</sup> P. 252

<sup>101</sup> P. 329

*performance after fees provides a more transparent and realistic view of the actual return's investors will receive'.<sup>102</sup>*

Disagreements on the extent of return truly made on an investment portfolio without identification of shortfalls in the conduct of the financial services provider or claim of failure in respect of the applicable contractual terms of service and/or applicable regulatory requirements, are, however, not a basis on which the Arbiter can award monetary compensation.

In terms of Article 26(3)(c)(iv) of the Arbiter for Financial Services Act (Cap. 555 of the Laws of Malta), the Arbiter may award monetary compensation in the following instance:

*'(c) If the complaint is found to be wholly or in part substantiated, the Arbiter may direct the financial services provider to do one or more of the following:*

*...*

*(iv) to pay an amount of compensation for any loss of capital or income or damages suffered by the complainant as a result of the conduct complained of ...'.*

In this case, no loss of capital, income, or damages have been proven to have been suffered, nor did they emerge, as a result of the alleged wrong, incorrect, or inaccurate calculation claimed to have been made by the Service Provider in the determination and portrayal of the actual return on his investment portfolio.

The Complainant complained about the lack of performance compared to the performance of other investments or portfolios he had with other third parties. On its own, however, this is not considered a sufficient or justifiable basis either for the claims of compensation made by the Complainant.

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<sup>102</sup> P. 335

**Further to the considerations made, the Arbiter accordingly decides that there are no grounds or basis reasonably justifying the Complainant's requested remedy.**

### **Decision**

**The Arbiter is dismissing this case for the reasons amply explained.**

**The parties are to bear their own costs of these proceedings.**

**Alfred Mifsud  
Arbiter for Financial Services**

### **Information Note related to the Arbiter's decision**

#### *Right of Appeal*

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website on expiration of the period for appeal. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.