

Before the Arbiter for Financial Services

Case ASF 246/2025

DJ & JJ

(‘the Complainants’)

vs

STM Malta Pension Services Limited

(C 51028) (‘STM’ or ‘the Service Provider’)

Sitting of 13 March 2026

The Arbiter,

Having seen the **Complaint** made against *STM Malta Pension Services Limited* (‘STM’ or ‘the Service Provider’) relating to *The STM Malta Retirement Plan* (‘the Retirement Scheme’ or ‘Scheme’), this being a personal retirement scheme licensed by the *Malta Financial Services Authority* (‘MFSA’), established in the form of a trust and administered by STM as its Trustee and Retirement Scheme Administrator (‘RSA’).

The Complainants were respective members of the Retirement Scheme, each having their own plan.¹ In summary, their Complaint relates to the claimed unsuitability of their pension transfer into the Scheme that was accepted by STM; the lack of performance experienced on their Scheme due to excessive charges; the failure by STM to disclose and challenge hidden fees like the Marketing Fee applied on the underlying policy acquired by their respective Scheme; the unsuitability of the underlying investment portfolio permitted by STM where they claimed that the investments were not compatible with their retirement objectives and gave rise to conflict of interest as they were expensive in-house products of the investment advisor.

¹ Page (P.) 123 & 147

*The Complaint*²

The Complainants explained that in 2015, acting on the advice of DeVere, they transferred their UK Teachers' Pensions into a Maltese QROPS. STM Malta is the trustee (of their respective Retirement Scheme) whilst *Providence Life* provided the *Horizon Portfolio Bond* (an underlying policy of their Scheme, within which a portfolio of investment instruments was held). They were told that this offshore structure would deliver growth, flexibility and tax advantages.

The Complainants pointed out that, in reality, their pensions had barely grown nine years later. They explained that high and opaque charges have consumed much of their savings, leaving them worse off than if they had stayed in the UK Teachers' Pension Scheme. It was noted that the combined effect has been the long-term erosion of their retirement security.

The Complainants indicated that a particular serious incident occurred in 2021, when *Providence Life* applied a so-called '*Marketing Fee*' of nearly 10% of the fund value. They submitted that this fee was never disclosed at the outset and it was deducted retroactively after *Providence Life* claimed to have discovered a '*system error*'. It was claimed that STM Malta did not, however, challenge this charge or protect them, but simply relayed the explanation provided by *Providence Life*. The Complainants submitted that a trustee's role is to safeguard members, not merely transmit correspondence.

They submitted that throughout the life of the *Horizon Portfolio Bond*, STM allowed their pensions to be heavily invested in DeVere's own DAM funds which were expensive, in-house products that generated commissions for the adviser. The Complainants claimed that these funds were unsuitable for their retirement objectives and introduced a clear conflict of interest. They submitted that the independent trustee should have identified this conflict and intervened, but STM neither warned them nor sought safer, lower-cost alternatives.

The Complainants explained they later learned that the DeVere-branded entity through which their adviser operated has since become defunct. Their pensions were therefore placed offshore on the advice of a short-lived firm that has

² Complaint Form on P. 1 - 9 with extensive supporting documentation on P. 10 - 112

disappeared, leaving them with no accountability from the original adviser. They claimed that STM failed to consider this when accepting the transfer.

The Complainants submitted that, as a result, they have incurred over GBP 40,000 in fees and deductions. They had requested STM to lodge a formal complaint with *Providence Life*, and whilst STM promised to do so in writing, no complaint was ever filed. The Complainants further noted that when they raised legitimate concerns about the charges and performance, STM replied that the fees were '*set out in the plan schedules*' and that, given their policies showed nominal growth, STM bore no liability. DeVere Acuma refused to answer their questions and even threatened them with defamation.

The Complainants further noted that they filed related complaints with the *Isle of Man Financial Services Ombudsman* concerning the linked underlying product and with the *UAE Securities and Commodities Authority* regarding their adviser's conduct. The *HM Revenue & Customs* in the UK has likewise been notified.

They submitted that these matters are interconnected but distinct, each addressing the respective roles of the adviser, product provider and trustee in the same unsuitable pension transfer.

The Complainants listed the following points as reasons why their Service Provider let them down:

a) *Acceptance of an unsuitable product*

They claimed that STM Malta accepted two modest teacher's pensions into a complex, high-fee QROPS and underlying bond that are normally reserved for high-value or regularly funded schemes. They submitted that this structure guaranteed that charges would outstrip potential returns, leaving them worse off than if they had remained in the UK Teachers' Pension Scheme.

b) *Failure to disclose and challenge hidden fees*

That STM did not disclose the existence of a recurring '*Marketing Fee*' or other embedded charges. When *Providence Life* later deducted this fee retroactively, STM merely forwarded *Providence's Life* explanation rather than contesting it on their behalf.

c) *Permitting conflicted, high-cost investments*

That STM allowed their pensions to be heavily invested in DeVere's DAM funds, which they considered were high-cost, in-house products that created a clear conflict of interest and delivered weak returns. They submitted that STM never questioned the suitability of such investments or sought cheaper, independent alternatives.

d) *Excessive charges and erosion of value*

That the fees of the trustee, bond, adviser and fund have, in combination, exceeded GBP 40,000, eroding almost a third of their pension savings. They claimed that STM did nothing to control these costs or warn them that these would continually undermine the value of their pensions.

e) *Failure to act on identified issues*

That when *Providence Life* admitted a 'system error', and STM promised to investigate and lodge a complaint, no action was taken. They claimed that STM also ignored their subsequent requests for a formal complaint and failed to fulfil its duty to protect them.

f) *Accepting advice from a defunct adviser and shifting blame*

That the transfer was based on advice from a DeVere-branded entity that has since become defunct. They claimed that STM accepted the adviser's recommendation without question. When challenged, STM argued that the charges were technically in the plan documents and that nominal growth absolved them of responsibility, thereby rejecting all of their legitimate concerns.

g) *Resulting harm*

That these combined failings have caused substantial financial loss, distress and erosion of retirement security. They claimed that STM's refusal to accept responsibility or address their concerns has left them trapped in an unsuitable product, facing ongoing fees and little prospect of recovery.

The Complainants provided further background in a note attached to their Complaint Form.³

Remedy requested

The Complainants requested an interim relief – namely, a halt to all further trustee, *Providence Life*, adviser, and related charges while their Complaint is reviewed. They also requested assurance that no exit penalties will apply should they choose to leave the underlying bond, noting that without such relief, ongoing charges will continue to erode their retirement savings before a decision is reached.

They noted that the process could take months to resolve, whilst ongoing charges (which they noted have already exceeded GBP 40,485.02 since inception), continue to erode their retirement savings. They remarked that unless action is taken, their position will materially worsen before a decision is reached.

The Complainants accordingly requested the Arbiter to do the following:

1. Order the reimbursement of GBP 40,485.02 in cumulative charges and deductions, including the retrospective Marketing Fee;
2. Award compensation for lost growth compared to the UK Teachers' Pension Scheme;
3. Ensure that they are able to exit the *Providence Horizon Portfolio Bond* immediately, without penalties;
4. Direct that no further trustee, *Providence*, adviser or related charges be applied while the Complaint is under review; and
5. Recognise that the transferred pensions were modest in size and wholly unsuitable for such a high-cost QROPS.

³ P. 105 - 109

The Complainant therefore requested that any permitted exit pathway allow their pensions to be placed immediately into a low-cost, appropriate structure (such as a UK-regulated or equivalent arrangement), without penalty.⁴

Having considered, in its entirety, the Service Provider's reply, including attachments,⁵

Where, in essence, the Service Provider explained and submitted the following:

1. *Preliminary Objections – Inadmissibility (Time-Bar)*

That the Complaint was filed with the Arbiter on 15 October 2025, following a formal complaint submitted to STM on 15 September 2025,⁶ to which STM responded on 25 September 2025.⁷

That, in terms of article 21(1)(c) of Cap. 555 of the Laws of Malta, the Complaint is time-barred, given the following:

(a) The Complainants expressly stated, in the email to STM and *Providence Life* ('PLL'), dated 26 February 2022,⁸ that *'... I met with my broker this week and was horrified to discover that such sums for marketing had been taken from both my wife and my pension. I would like to seek evidence that this fee is fair and that we were aware of it ...'*⁹ and

(b) STM referred to the reasoning adopted in the Arbiter's decision in case ASF 030/2024, where the Arbiter held:

'... In the particular circumstances of this case and for the reasons mentioned, the Arbiter accordingly concludes that the complaint was registered in writing with the financial services provider later than two years from the day on which the Complainant first had knowledge of the matters complained of.'

⁴ P. 8

⁵ Reply of 30 October 2025, on P. 118 – 122 with attachments on p. 123 - 220

⁶ P. 11

⁷ P. 12

⁸ P. 64

⁹ P. 118

The Arbiter is accordingly accepting the Service Provider's plea made in terms of article 21(1)(c) of the Act, that he has no competence to hear this Complaint'

STM submitted that, as noted above, the Complainants were very much aware on 26 February 2022 (more than three years ago), of the marketing fees in question. Nevertheless, they only proceeded to file a formal complaint to STM on 15 September 2025, and proceeded to file the Complaint with the Arbiter on 15 October 2025. STM submitted that this delay clearly exceeds the statutory timeframe set out in article 21(1)(c) of Cap. 555 of the Laws of Malta.

The Service Provider pointed out that the Complaint mirrors that of the case quoted above in both factual chronology and legal substance. It respectfully submitted that the same legal interpretation should be applied and the Complaint declared inadmissible.

STM further noted that according to page 2 of the Complaint, the Complainants also declared they had knowledge of the matters complained of on 22 March 2022.

It was therefore submitted that the Complaint is inadmissible pursuant to article 21(1)(c) of Cap. 555 of the Laws of Malta.

2. *Facts – What the documents actually say*

STM noted that on page 5 of the Complaint, the Complainants allege that *'... as a result, we have incurred over circa £40,000 in fees and deductions...'*, where they presented this sum as a loss.

The Service Provider submitted that the charges they refer to are not losses or undisclosed deductions. They are fees contractually agreed to from inception, disclosed in the policy documentation and correctly applied throughout the plan term. It noted that, moreover, even after all such charges, both policies show positive growth.

The Service Provider explained that the relevant fees fall into four categories:

- (a) PLL marketing establishment fees;
- (b) PLL annual management fees;
- (c) STM Malta trustee/administration fees; and
- (d) Adviser charges

These fees were summarised as follows:

Fee Category	Complainant Mrs.	Complainant Mr.
PLL Marketing Fees	£8,306.71	£4,805.58
PLL Annual Management Fees	£8,131.93	£5,290.25
STM Malta Trustee/ Admin Fees	£6,098.92	£3,967.69
Adviser Charges	£2,365.21	£1,518.73
Total	£40,485.02 (combined)	

STM submitted that these charges were contractually due, disclosed at onboarding, at the outset, and expressly accepted as follows:

PLL Marketing Fees

Both the *STM Malta Retirement Plan* (Annex A and B to its reply)¹⁰ Schedules set out the annual PLL marketing establishment fee at 1% for the first eight (8) years of the policy to cover the costs of distributing the policy (section 5.4, page 24 of Annex A and page 26 of Annex B), which were signed by the Complainants on 24 February 2015 and 31 March 2015 respectively.

PLL Annual Management Fees

The PLL annual management charges (section 5.2 of Annex A and B to its reply) are charged at 1% per annum, deducted on an annual basis each year on both policies, and again, accepted and signed for by the Complainants.

STM Malta Trustee/Admin Fees

¹⁰ P. 123 & 146

The Service Provider's annual trustee and admin fees at 0.75% per annum align with the *STM Malta Retirement Plan* schedules (page 3 of Annex A and page 5 of Annex B to its reply).

Adviser Charges

That the charges of the adviser are paid by invoice, at 0.8%, annually and this figure fluctuates according to the policy value. Typical invoices were attached as Annex F and G to its reply.¹¹

STM explained that it is pertinent to note that the initial premiums invested in March 2015 amounted to £76,974.68 and £49,907.67 respectively for the Complainants, and the latest valuations, as of 23 October 2025 stood at £96,612.31 and £55,077.64 respectively (Annex D and E to its reply).¹² It submitted that, accordingly, both policies clearly demonstrate positive growth, even after all the contractual deductions outlined above.

The Complainants' grievances concerning suitability, including allegations that the adviser '*... allowed the pensions to be heavily invested in DeVere's own DAM funds – expensive, in-house products that generated commissions for the adviser ...*' (4th para., page 5 of the Complaint), relates squarely to the conduct of the external investment adviser, DeVere, who was appointed by the Complainants and acted independently of STM.

STM noted that, as trustee and RSA, it is neither licensed nor authorised to give financial or investment advice. It submitted that the adviser's suitability recommendation is not attributable to STM at law.

STM further noted that the Complainants also signed the Financial Planning Report (Annex C to its reply),¹³ compiled by the financial adviser, which was signed by the Complainants and DeVere in February 2015 confirming a balanced risk profile consistent with the investment structure chosen, which meant that the Complainants were prepared to accept some risk to get potential returns above inflation.

¹¹ P. 219 & 220

¹² P. 184 & 201

¹³ P. 173

It noted that the investment adviser's report annexed to De Vere's email (last paragraph titled '*Conclusion*' on page 23 of the Complaint), states that '*my ... advice given was clear, precise and fully understood by the [Complainants] at the time of onboarding ... not once ... but twice*'.¹⁴ STM submitted that this evidence corroborates that the dispute is about advice, not trustee administration. It observed that STM cannot adjudicate suitability as that question lies with the adviser and the relevant advisory jurisdiction. STM reiterated that it is not licensed to provide any financial and investment advice.

3. *Parallel Proceedings*

The Service Provider noted that the Complainant has also indicated that they pursued or are pursuing complaints before other fora, including the UAE authorities and HMRC (pages 15 to 19 of the Complaint). STM respectfully invited the Arbitrator to take note of the existence of these other proceedings to prevent overlap with advisory matters falling within the competence of other jurisdictions.

4. *Role of the Company*

STM submitted that it executed its obligations in accordance with its Trust Deed, plan rules, Maltese pensions legislation and the MFSA's regulatory framework. It pointed out that it had no authority to dictate the choice of the investment product, its inherent fee structure, or the adviser's selected investment strategy. The charges referenced by the Complainants were neither imposed nor determined by STM but emanated from the product provider and financial adviser, and furthermore, were disclosed at inception.

5. *Reservation of Rights*

STM reserved its right to submit further documentation or oral evidence and respond on the merits should it be determined that the Complaint is admissible despite the time-bar.

¹⁴ P. 121

6. *Relief Sought*

The Service Provider stated that given:

- the express knowledge of the complained matters since 2022;
- the lapse of the statutory period under article 21(1)(c) of Cap. 555 of the Laws of Malta;
- the absence of any compensable loss; and
- the adviser-centric nature of the suitability allegations

it respectfully requested the Arbiter to:

- (a) uphold the preliminary objection and declare the Complaint inadmissible in terms of article 21(1)(c) of Cap. 555 of the Laws of Malta, and that in terms of the same article to apply a consistent legal interpretation as adopted in Case ASF 030/2024;
- (b) in the alternative, dismiss the Complaint on its merits on the grounds that the deductions were fully disclosed and contractually agreed, and that suitability falls exclusively within the adviser's remit;
- (c) take note of the parallel fora and decline to entertain any advisory matters already seized elsewhere; and
- (d) reject all demands made by the Complainants.

7. *Concluding remarks*

The Service Provider submitted that for the reasons stated, it considers the Complaint to be inadmissible in terms of article 21(1)(c) of Cap. 555 of the Laws of Malta and the case should be dismissed without further consideration of the merits. Without prejudice to the preliminary objection, STM further submitted that no compensable loss has been demonstrated, all charges were transparently disclosed and contractually agreed from inception and the matters relating to the investment suitability fall exclusively within the competence of the appointed financial adviser and not STM as trustee.

Having heard the parties and seen all the documents and submissions made,

Further Considers:

Preliminary

Given the interim relief requested by the Complainants and the preliminary plea raised by the Service Provider in its reply regarding the competence of the Arbiter, a decree was issued on 7 January 2026,¹⁵ extracts of which are reproduced below:

Decree of 7th January 2026

Interim relief requested by the Complainants

The Arbiter notes that in their Complaint to the Office of the Arbiter for Financial Services registered on the 15th October 2025, the Complainants requested the Arbiter to issue an ‘interim relief’ and ‘Direct that no further trustee, Providence, adviser, or related charges be applied while this complaint is under review’.¹⁶

The Arbiter would like to address this request, at the outset, by clarifying that the requested measure cannot be upheld for the reasons explained below.

Firstly, the competence of the Arbiter is limited to a direction issued in terms of Article 26(3) of the Arbiter for Financial Services Act (Cap. 555 of the Laws of Malta) (‘the Act’) to a ‘financial service provider’ satisfying the definition stipulated in Article 2 of the Act. Hence, in the first place, the Arbiter has no jurisdiction to issue any direction to:

- a) *Providence Life*, as the issuer of the respective underlying policy, the *Horizon Portfolio Bond*,¹⁷ into which the Complainants' own Retirement Scheme (the *STM Malta Retirement Plan*) is invested;¹⁸
- b) nor to DeVere, the investment adviser appointed in respect of the original pension transfer and the selection of underlying fund investments.¹⁹

The above-mentioned parties are based overseas and not licensed in Malta by the Malta Financial Services Authority. They thus both fall outside the definition of a ‘financial service provider’ for the scope of the Act.

¹⁵ P. 221 - 223

¹⁶ Page (P.) 6 & 8

¹⁷ *Providence Life Limited, PCC (Providence)* is based in Mauritius and regulated by the Mauritius Financial Services Commission (FSC) (P. 33, 68, 87 & 128) - <https://opr.fscmauritius.org/ords/opr/r/fsc-opr/fsc-online-public-register-opr?session=8742854684276>

¹⁸ P. 123 & 147

¹⁹ Based in Dubai, UAQ – P. 111; *Professional Investment Consultants-Middle East Ltd (PIC)*, based in Abu Dhabi, United Arab Emirates as ‘Affiliated to deVere Group’ (P. 173/ 174).

Furthermore, the Arbiter's actions are limited to the directions specifically provided for under Article 26(3)(c), which would follow after consideration of the merits of the case. No such interim direction as requested by the Complainants can accordingly be issued by the Arbiter in terms of the Act against the Trustee and the Retirement Scheme prior to such consideration.

In addition, consideration also needs to be first made of the competence of the Arbiter to hear this Complaint. This is given the preliminary plea raised in this regard by the Service Provider as further outlined below.

For the reasons explained, the request by the Complainants for an interim direction is outrightly dismissed.

Preliminary Pleas regarding the Competence of the Arbiter

Article 22(2) of the Arbiter for Financial Services Act (Chapter 555 of the Laws of Malta) ('the Act') provides that '*Upon receipt of a complaint, the Arbiter shall determine whether the complaint falls within his competence*'.

The Arbiter notes that in its reply of 30th October 2025, the Service Provider raised a preliminary plea regarding his competence to hear this Complaint, as STM submitted that the Complaint is time-barred pursuant to Article 21(1)(c) of the Act.²⁰ The Service Provider explained the reasons for its submissions in the said reply.²¹

Article 22 (8) of the Act empowers the Arbiter to '*regulate the proceedings as he thinks fit and proper in accordance with the rules of natural justice*'.

Further to the above, the Arbiter decides to make preliminary inquiries for the purpose of determining whether the Complaint falls within his competence. This is also to deal with the complaint in an economical and expeditious manner, as he is bound to do in terms of Article 19(3)(d) of the Act.

The Complainants are at this stage being accordingly directed, in terms of Article 22(4) of the Act, to provide their written submissions specifically to the preliminary plea raised by the Service Provider regarding his competence to hear this Complaint as indicated above. The Complainants' reply should be limited to the said plea and not cover other aspects raised by the Service Provider relating to the merits of the case.

The Complainants should, at this stage, also:

- (i) clarify what '*other embedded charges*' that they claimed STM did not disclose and/or were not challenged apart from the Marketing Fee;²²

²⁰ P. 118

²¹ P. 118 - 122

²² P. 7

- (ii) confirm and/or clarify whether the reimbursement they requested of GBP 40,485.02 reflects the breakdown of fees as summarised by the Service Provider in Section 2 of its reply of 30th October 2025.²³

Such information is to be produced by the Complainants by not later than Friday, 30th January 2026.

...

Plea relating to Article 21(1)(c) of Chapter 555 of the Laws of Malta

Subsequent to the Arbiter's decree, the Complainants provided their comprehensive submissions on the requested matters.²⁴

In their submissions, the Complainants *inter alia* explained that any delay in the filing of their complaint was not attributable to any lack of diligence on their part but '*was reasonable, excusable, and attributable to the structure and conduct of the respondent*', noting that they raised concerns from the outset but were '*repeatedly redirected away from the proper respondent and from independent redress*', and with them '*only [becoming] reasonably aware of the true basis for complaint at a much later stage*'.²⁵

The Complainants provided additional background and explanations on various aspects including on the following claims: (1) that from inception, they lacked information, clarity and accountability; (2) that they complained repeatedly, but only to the parties they were directed to; (3) that the adviser's conduct occurred within STM's own contractual framework; (4) that COVID obscured the harm; (5) that when the harm became clear, they made a formal complaint to STM about the entire pension transfer; (6) that then they asked STM explicitly where to complain; (7) that STM did not acknowledge their complaint or answer where they should complain; (8) that their conduct was reasonable and the delay was not of their making; (9) that the amount claimed of GBP 40,485.02 is not limited to a single deduction of Marketing Fee but the cumulative impact which were not reasonably apparent to them earlier.²⁶

²³ P. 119

²⁴ P. 224 - 230 with attachments on p. 231 - 243

²⁵ P. 225

²⁶ P. 225 - 230

Arbiter's considerations

Article 21(1)(c) stipulates that:

'An Arbiter shall also have the competence to hear complaints in terms of his functions under article 19(1) in relation to the conduct of a financial service provider occurring after the coming into force of this Act, if a complaint is registered in writing with the financial services provider not later than two years from the day on which the complainant first had knowledge of the matters complained of.'

Therefore, the Complainants had two years to complain to the Service Provider *'from the day on which the complainant first had knowledge of the matters complained of'*.

Given the various references made in the Complainants' final submissions to the delay in the referral of their complaint to the Office, the Arbiter would like to first point out that Article 21(1)(c) concerns the timeframe for the submission of a formal complaint to the Service Provider and not to the Office of the Arbiter for Financial Services ('OAFS').

The Complainants filed their formal complaint with STM Malta on 15 September 2025.²⁷

The Arbiter must decide when the Complainants first had knowledge of the matters complained of.

In their Complaint Form to the OAFS, the Complainants indicated *'22/03/2022'* as the date when they first had knowledge of the matters they were complaining of.²⁸

As outlined earlier above, the matters complained of can be summarised as follows:

1. the claimed unsuitability of their pension transfer;
2. the lack of performance due to excessive charges;

²⁷ p. 11

²⁸ p. 2

3. the failure to disclose and challenge hidden fees like the Marketing Fee;
4. the unsuitability of the underlying investment portfolio .

The Complainants became members of the Retirement Scheme in March and April 2015, with their Scheme acquiring the underlying *Providence Life* policies in May and June 2015, respectively.²⁹ It is clear that the transfer of their original pensions into the Retirement Scheme occurred at some point during 2015. The initial premiums paid into the *Providence Life* policies (PLL202003 and PLL202131) were GBP 49,907.67 and GBP 76,974.68, respectively.³⁰ As of September 2025, their underlying policy value stood at GBP 53,211.77 and GBP 94,169.15, respectively.³¹

In their submissions, the Complainants claimed that they had written to STM in 2016 as they had *inter alia* not received documentation about the transfer, nor were they aware how their plan was being managed and the status thereof.³²

They pointed out that they were referred to their investment adviser, and they '*consistently raised concerns about lack of growth, high and opaque charges, the structure itself and whether the product had ever been suitable*'.³³ They noted that '*These complaints were made to successive advisers, including Hoxton, to whom I had been directed*', noting also that their concerns were repeatedly placated by the advisers and that they were '*actively discouraged from pursuing a complaint*'.³⁴

The following communications are particularly noted prior to the complaint filed with the Service Provider of 15 September 2025:

- (i) Letter of 19 August 2025 – A formal complaint was made by the Complainants directly against DeVere regarding the financial advice received from the adviser.³⁵

²⁹ P. 123 & 147

³⁰ P. 70 & 89

³¹ P. 71 & 89

³² P. 225

³³ P. 226

³⁴ *Ibid.*

³⁵ P. 28 - 29

- (ii) Email dated 23 March 2022 – Following feedback and explanations received from *Providence Life* in relation to the Marketing Fee,³⁶ the Complainants sent an email to STM on 23 March 2022 stating the following:

‘Thanks for sending me the fine print proving the legality of this further dive into my pension funds. I wish to have evidence that I signed for these charges. They were never made clear to me at the time. Indeed, my pension should never have been transferred to its value at the time. It is even worse now. I was missold this product quite bluntly and wish to complain to whatever organisation monitors the integrity of your operations.

*Please can you advise as to where I should complain and I would like to see my signature on documents that stated I knew and agreed to these charges’.*³⁷

STM subsequently replied on the same day that it could lodge a formal complaint with *Providence Life* on their behalf.³⁸ The Complainants subsequently confirmed to STM that it should follow this course of action. The response of *Providence Life* was eventually communicated by STM on 12 April 2022.³⁹

- (iii) Email dated 26 February 2022 – This communication was addressed to both STM Malta and *Providence Life*.⁴⁰ This email highlighted concerns about the marketing fee, the transfers of their pension (given the small size of the transferred pension), and the lack of performance. The said email *inter alia* stated that:

‘I met with my broker this week and was horrified to discover that such sums for marketing had been taken from both my wife and my pension. I would like to seek evidence that this fee is fair and that we were aware of it.

³⁶ Email dated 22 March 2022 – P. 38

³⁷ P. 37

³⁸ P. 36

³⁹ P. 33

⁴⁰ P. 64

In all fairness, particularly with my product, I was pressured to bring my pension across by [the adviser] at De Vere. I have only recently discovered that it would never be recommended to bring across my teacher pension given it was such a low sum just on 50K GBP. Some 7 years on, not only has my fund not made any money during a bull market but has actually lost me cash. Seemingly everybody got paid apart from me. I feel completely conned.

The 8% fees, quoted by my broker, represent something highly unusual. How on earth can you justify that fee? Where did we sign up to that? We certainly were not made aware.

I would like to make a formal complaint concerning the whole process of this policy transfer. Why did you not pick up on the fact that 50k just is not worth transferring? For the period the account was managed by De Vere [...], I was constantly told the policy would come good.

I feel I have been duped and would welcome some solutions’.⁴¹

- (iv) Emails of March 2016 - On 9 and 12 March 2016, the Complainants communicated to STM certain matters with which they were not satisfied, relating, namely, to the lack of communication and details about their investment and the re-opening of an account.⁴²

In the email of 12 March 2016, it was noted that the ‘*tirade ... was targeted at FPI [Friends Provident International]*’, and apart from requesting details about the operation of his Scheme, it was *inter alia* pointed out that:

‘I am currently speaking to other wealth management institutions and I need any information you have for comparison. Fundamentally, I have not been given the information I need to be confident that this is the best product for me and my wife’.⁴³

The communications exchanged in 2016 and 2022 expressing concern are not deemed to constitute a clear, written complaint on the same claims subject of this Complaint. Apart from such communications being inquiries in nature, the

⁴¹ *Ibid.*

⁴² p. 45 & 46

⁴³ p. 45

focus was also on the suitability of the transfer of their pensions. The formal complaint to STM regarding the subject matter of this case is deemed to have been filed only in 2025 in the circumstances.

It is noted that the Complainants stated that, *'I did not understand that I even had proper grounds for a complaint against STM until a new adviser in June 2025 reviewed the structure with me and helped me draft my first formal complaint letter'*.⁴⁴ However, this does not change the fact that the formal complaint was made to STM in September 2025.

As outlined above, the pension transfers occurred in 2015. The suitability of such transfer was already being questioned by the Complainants in 2016, and particularly in 2022. Knowledge about the claimed unsuitability of the pension transfer had clearly occurred by that time. More than two years had thus passed since they first had knowledge of the claimed unsuitability of the pension transfer and the formal complaint of September 2025.

Awareness about the Marketing fees also clearly occurred by 2022. As stated in its submissions, the Complainants themselves noted that *'Only in August 2021 did STM write to us confirming that Providence had identified a 'system' error'*.⁴⁵ The quantification of and withdrawals related to the Marketing Fee were then also clearly explained and highlighted in the email of 23 February 2022, sent by Hoxton Capital to the Complainants.⁴⁶

It is noted that as stated by the Complainants, *'The true extent of detriment only became apparent when substantial 'marketing fees' were deducted from both my and my wife's pensions'*.⁴⁷

The excessive charges complained of in this Complaint, which the Complainants remarked have affected the performance of their Schemes, relate to the Marketing Fee and other fee arrangements entered into at the time of the membership of the Scheme and acquisition of the policies in 2015. The formal complaint with the Service Provider in September 2025 is evidently later than two years from the day on which the Complainants first had knowledge about such aspects.

As to the unsuitability of the underlying investment portfolio, it is noted that, in their Complaint, the Complainants referred to the in-house investments, that is

⁴⁴ P. 226

⁴⁵ P. 105

⁴⁶ P. 65

⁴⁷ P. 227

'DeVere's own 'DAM funds'.⁴⁸ Whilst the Complainants have not listed the specific DeVere funds they were referring to within their respective portfolios, it is understood that these relate to the 'dVAM' funds that featured in the investment portfolios of their respective policies.⁴⁹

According to the Policy Valuation Statement provided as at 23 September 2025, the following transactions emerge for Policy PLL202003 in respect of dVAM funds:⁵⁰

PLL202003		dVAM Fund	Units	Value
07-Jul-19	Purchased	dVAM Global Equity Income PCP Fund GBP A2	2145	25,000
03-Feb-20	Purchased	dVAM Global Equity Income PCP Fund GBP A2	9.93	121.3
27-Jul-20	Purchased	dVAM Global Equity Income PCP Fund GBP A2	29.86	344.91
			2,184.79	25,466.21
05-Oct-20	Sold	dVAM Global Equity Income PCP Fund GBP A2	-2,184.79	26,090.80

According to the Policy Valuation Statement provided as at 24 September 2025, the following transactions emerge for Policy PLL202131 in respect of dVAM funds:⁵¹

PLL202131		dVAM Fund	Units	Value
43653	Purchased	dVAM Global Equity Income PCP Fund GBP A2	3,389.1	39,500
03-Feb-20	Purchased	dVAM Global Equity Income PCP Fund GBP A2	15.69	191.65
27-Jul-20	Purchased	dVAM Global Equity Income PCP Fund GBP A2	47.18	544.96
31-Oct-21	Purchased	dVAM Global Equity Income PCP Fund GBP A2	312.8	4,391.43
07-Nov-21	Purchased	dVAM Global Equity Income PCP Fund GBP A2	0.9	13.08
		Total Units Purchased & Value	3,765.67	44,641.12
31-Oct-21	Sold	dVAM Global Equity Income PCP Fund GBP A2	-312.8	4,391.43
07-Nov-21	Sold	dVAM Global Equity Income PCP Fund GBP A2	-0.9	13.08
07-Nov-21	Sold	dVAM Global Equity Income PCP Fund GBP A2	-234.6	3,424.94
31-Dec-21	Sold	dVAM Global Equity Income PCP Fund GBP A2	-38.65	581.15
30-Dec-22	Sold	dVAM Global Equity Income PCP Fund GBP A2	-38.65	580.94

⁴⁸ p. 5

⁴⁹ <https://devere-am.com/funds>

⁵⁰ p. 68 - 78

⁵¹ p. 88 - 96

15-Jan-24	Sold	dVAM Global Equity Income PCP Fund GBP A2	-69.04	1,100.00
19-Dec-24	Sold	dVAM Global Equity Income PCP Fund GBP A2	-75.21	1,365.93
		Total Units Sold & Value	-769.85	11,457.47
		Remaining Units and Value as at 24 Sept 2025	2,995.82	54,634.77
19-Aug-20	Purchased	PLL dVAM Balanced Active PCP A1 GBP	1,248.29	13,719.99
31-Oct-21	Purchased	PLL dVAM Balanced Active PCP A1 GBP	113.12	1,453.75
07-Nov-21	Purchased	PLL dVAM Balanced Active PCP A1 GBP	0.32	4.22
		Total Units Purchased & Value	1,361.73	15,177.96
31-Oct-21	Sold	PLL dVAM Balanced Active PCP A1 GBP	-113.12	1,453.75
07-Nov-21	Sold	PLL dVAM Balanced Active PCP A1 GBP	-0.32	4.22
07-Nov-21	Sold	PLL dVAM Balanced Active PCP A1 GBP	-84.84	1,104.14
31-Dec-21	Sold	PLL dVAM Balanced Active PCP A1 GBP	-13.98	178.95
30-Dec-22	Sold	PLL dVAM Balanced Active PCP A1 GBP	-13.98	154.91
		Total Units Sold & Value	-226.24	2,895.97
		Remaining Units and Value as at 24 Sept 2025	1,135.49	15,741.46
19-Aug-20	Purchased	PLL dVAM Diversified Liquid Alternatives PCP GBP	1,019.47	10,000.01
31-Oct-21	Purchased	PLL dVAM Diversified Liquid Alternatives PCP GBP	92.38	1,008.24
07-Nov-21	Purchased	PLL dVAM Diversified Liquid Alternatives PCP GBP	0.26	2.89
		Total Units Purchased & Value	1,112.11	11,011.14
31-Oct-21	Sold	PLL dVAM Diversified Liquid Alternatives PCP GBP	-92.38	1,008.24
07-Nov-21	Sold	PLL dVAM Diversified Liquid Alternatives PCP GBP	-0.26	2.89
07-Nov-21	Sold	PLL dVAM Diversified Liquid Alternatives PCP GBP	-69.28	757.63
31-Dec-21	Sold	PLL dVAM Diversified Liquid Alternatives PCP GBP	-11.42	124.79
30-Dec-22	Sold	PLL dVAM Diversified Liquid Alternatives PCP GBP	-11.42	122.14
		Total Units Sold & Value	-184.76	2,015.69
		Remaining Units and Value as at 24 Sept 2025	927.35	11,428.75
19-Aug-20	Purchased	PLL dVAM Cautious Active PCP A1 GBP	925.58	10000
31-Oct-21	Purchased	PLL dVAM Cautious Active PCP A1 GBP	83.87	1031.04
07-Nov-21	Purchased	PLL dVAM Cautious Active PCP A1 GBP	0.24	2.98
		Total Units Purchased & Value	1,009.69	11,034.02
31-Oct-21	Sold	PLL dVAM Cautious Active PCP A1 GBP	-83.87	1031.04
07-Nov-21	Sold	PLL dVAM Cautious Active PCP A1 GBP	-0.24	2.98

07-Nov-21	Sold	PLL dVAM Cautious Active PCP A1 GBP	-62.9	781.27
31-Dec-21	Sold	PLL dVAM Cautious Active PCP A1 GBP	-10.36	127.14
30-Dec-22	Sold	PLL dVAM Cautious Active PCP A1 GBP	-10.36	111.85
		Total Units Sold & Value	-167.73	2,054.28
		Remaining Units and Value as at 24 Sept 2025	841.96	10,960.52

It is clear from the tables above that in the case of Policy PLL202003, the disputed DAM fund had been sold in 2020.

In the case of Policy PLL202131, the dVAM funds were still held in the portfolio as at September 2025. No evident loss, however, emerges on such funds taking into account the value of the sold and remaining units as outlined in the Table above. It is evident that the claimed unsuitability of the underlying investments is, in the circumstances, related to the claimed lack of performance resulting from the Marketing Fee and alleged excessive fees, rather than a sustained loss on such funds.

As considered earlier, knowledge about such matters was evident by 2022, as also emerging from the concerns raised by the Complainants in February 2022,⁵² and the communications exchanged in April 2022 with Hoxton Capital.⁵³

Whilst understanding the Complainants' position, the reasons stated by them in their final note of submissions do not change the day on which they are considered to first had knowledge of the matters complained of for the purposes of Article 21(1)(c) of the Act.

Decision

For the reasons explained, the Arbiter upholds the plea of prescription raised by the Service Provider with reference to Article 21(1)(c) of Chapter 555 of the Laws of Malta. The Arbiter accordingly dismisses this Complaint.

In view of the above, the Arbiter is not considering the merits of the case.

The Arbiter's decision is without prejudice to any right the Complainants may have to seek redress before another court or tribunal competent to hear their case.

⁵² p. 64

⁵³ p. 54

As the case is being decided on a preliminary plea, each party is to bear its 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.

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