Before the Arbiter for Financial Services

Case ASF 164/2026

RV

('the Complainant')

vs

STM Malta Pension Services Limited

(C 51028) ('STM', 'STM Malta' or 'the Service Provider')

Sitting of 30 October 2026

The Arbiter,

Having seen the Complaint made against STM Malta Pension Services Limited ('STM' or 'the Service Provider') relating to the STM Harbour Retirement Scheme ('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 Complaint essentially relates to the alleged mis-selling of the Retirement Scheme and the inappropriate transfer of the Complainant's UK pension into the Scheme. The Complainant claimed breach of fiduciary, contractual, and regulatory duties owed to him by the trustees and retirement scheme administrators ('RSA') of the Scheme in relation to the transfer into, and operation of, the Scheme.

The Complaint

A summary of the key allegations raised in the Complaint filed with the Office of the Arbiter for Financial Services ('OAFS'), as detailed in the Arbiter's decree of

6 August 2026, is reproduced below.[1] The Complainant, who was aided by a UK litigation specialist in filing his Complaint and submissions, accepted that the summary of key allegations detailed in the Arbiter's decree accurately reflects the main components of his claims for compensation. This was subject to an important caveat as detailed by the Complainant in his note of 14 September 2026, wherein it was *inter alia* outlined that:[2]

> *'The Complainant wishes to reiterate the fact that the complaints are based on the losses which have been incurred as a result of the transfer of their pensions to the Maltese QROPS. The claims have not been commenced merely because the Complainant is unhappy with the performance of certain investments contained within his investment portfolio.*
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> *The characterisation of the claim as being merely a claim for loss incurred as a result of the failed investments of Chancery Global Funds PLC is not correct. The Arbiter is referred to para. 1.3 of the Letter of Complaint of the Complainant which clearly states the basis of the claim. Furthermore, please see …section 3 submissions regarding the CGF fund. [p. 288]*
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> *The Complainant was the victim of mis-selling and was deceived into transferring his occupational defined benefit pension with extremely valuable safeguarded benefits from the UK to a completely inappropriate investment vehicle for retail clients, namely a newly formed QROPS in a jurisdiction with which he had no connection at all.*
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> *The losses which have been claimed in the Letters of Complaint represents the difference between what the Complainant would have expected to receive from his UK …Pension Scheme if the transfer had not taken place and the current value of the QROPS administered by the Service Provider…'*

Summary of the Complaint and key allegations as outlined in the Arbiter's decree

The Complainant claimed that *Harbour Pensions Limited* (the original trustee and RSA of the Scheme) should have recognised the financial mis-selling and that the relatively low amount of the UK pension transferred into the Scheme was not in his best interests. The Complainant described himself as an

[1] Complaint Form on Page (P.) 1 - 6 with extensive supporting documentation on P. 10 – 234
[2] P. 281

inexperienced retail investor who received advice from the same party acting as an introducer, resulting in clear conflicts of interest.

It was further claimed that both *Harbour Pensions Limited* ('HPL') and STM Malta (the subsequent trustee) failed to act with the required due diligence, prudence and care of a *bonus paterfamilias* by allowing the pension funds to be invested into inappropriate underlying investments, namely into the *Chancery Global Funds plc* ('CGF'), which was described as not compatible with his risk attitude.

That, upon becoming the trustee and RSA, STM failed to undertake an adequate review of the investment portfolio and to take reasonable and adequate remedial action with respect to the unsuitable investment. It was claimed that STM instead accepted and retained the inappropriate investments within the investment portfolio.

It was also claimed that both HPL and STM failed to act in the Complainant's best interests as HPL and STM failed to comply with MFSA's regulatory requirements related to diversification and liquidity with respect to the CGF, which invested in niche, non-mainstream and highly illiquid assets not suitable for a pension investment.

It was furthermore claimed that, in addition to not being compatible with the Complainant's risk attitude and his circumstances, a potential conflict of interest arose with respect to the disputed investment, given that the appointed discretionary investment manager and the CGF fund/s were part of the same group, resulting in potential overcharging or dealing in connected investments.

Additionally, it was alleged that upon becoming the new trustee and RSA of the Scheme in 2018, STM Malta failed to notify the Complainant about the breaches of the former trustee, thereby denying him the opportunity to seek redress from the former trustee and RSA of the Scheme.

It was further claimed that excessive fees (commissions and annual fees) were charged under the Scheme's structure from the date of transfer, which absorbed any potential gains from the underlying investments.

Remedy requested

The Complainant indicated a transfer value of GBP 22,917.17 on 03/09/2014, with the current policy value being GBP 17,617.72 as at 14/11/2024. It was pointed out that no payments were made to the Complainant. A total amount of GBP 80,000 was claimed as compensation, with the net claimed amount indicated as GBP 62,382.28 (total claimed amount of GBP 80,000 less current policy value) subject to an updated policy valuation.[3]

Having considered, in its entirety, the Service Provider's reply, including attachments,[4]

The following is a summary of the key submissions made by the Service Provider in its reply:

a) That, preliminarily, the Complaint is inadmissible and time-barred pursuant to article 21(1)(c) of the Arbiter for Financial Services Act (Cap. 555 of the Laws of Malta) ('the Act');

b) That STM reserved all rights, pleas and defences arising under the Trusts and Trustees Act (Cap. 331) ('TTA'), including, but not limited to, articles 30(3), (8) and 41 thereof, and all rights and protections available to it as a successor trustee.

c) That on the basis of the said preliminary pleas alone, the Complaint should be declared inadmissible without any consideration of the merits.

d) The following background information was provided:

- *Castel Residential Property* was a Luxembourg-registered SICAV authorised and regulated in Luxembourg. The fund was launched in 2013 and invested in UK residential property. It was put in an orderly liquidation following difficulties experienced by the UK property sector after the 2016 Brexit, with its assets sold and proceeds returned to investors in 2018. The liquidation was shortly thereafter completed and the asset removed from valuations by the investment house;

[3] P. 6
[4] Reply of 25 June 2026, on P. 239 – 242 with attachments on p. 243 - 272

- *Equity Bridge PCC Ltd* (later renamed as Skywalker SPV) was a Guernsey-based PCC established in 2007 specialising in real estate private equity, asset recovery and restructuring. Following an annual general meeting of this fund on 28 April 2017, its directors agreed to wind it up, distribute the proceeds of the liquidated assets and establish a new company (Skywalker SPV). By the time the Harbour Pension Scheme was reassigned to STM in 2018, the liquidation of Skywalker was already in its final stages. Following closure, the asset was eventually removed from valuations in 2022.

That STM acted solely in its capacity as trustee and RSA and communicated updates received from the funds, the liquidators and other parties to the members and advisers.

e) As to the date of knowledge, STM referred to the following communications:

- Email dated 27 August 2019 informing investors of developments affecting certain underlying investments including assets which had become illiquid and subject to recovery processes, liquidations and asset disposals. STM claimed it provided the Complainant with information on the status, recovery, and liquidation proceeds.

- Annual Valuation Statement as at 31 December 2020 sent on 30 July 2021, which provided information regarding the investments held within the pension portfolio, including their status and valuation.

  MPM noted, in particular, that the statement disclosed the *Skywalker Interest-Bearing Note* had an asset value of only £2.36. It submitted that this demonstrated the investment had lost approximately 99.90% of its value and provided the Complainant with clear information about the investment's deteriorated condition.

- Annual Valuation Statement as at 31 December 2021, sent on 25 October 2022.

  STM stated that the valuation statement subsequently issued continued to provide information regarding the investments and

transactions affecting the investments. It particularly noted that the statement records the disposal of the *Skywalker Interest-Bearing Note* on 30 April 2021 at a settlement value of £0.00. STM submitted that this statement therefore expressly reflected that the investment had been written off and removed from the portfolio.

STM further submitted that the documentary evidence attached to its reply demonstrates that the Complainant was provided with communications and valuation statements concerning the investments which form the subject matter of the Complaint. In particular:

(i) The Complainant was notified in August 2019 of developments affecting the underlying investments now complained of, including their recoverability, liquidation processes and distributions made to investors;

(ii) The 2020 valuation statement disclosed that the *Skywalker Interest-Bearing Note* had a value of only £2.36, representing a loss of approximately 99.90% of its original value; and

(iii) The 2021 valuation recorded the disposal of the *Skywalker Interest-Bearing Note* of 30 April 2021 at a settlement value of £0.00, confirming that the investment had been written off and removed from the portfolio.

STM submitted that the Complainant knew, or at the very least ought reasonably to have known, of the matters now complained of substantially more than two years prior to filing the Complaint. It accordingly submitted that the Complaint is time-barred in terms of Article 21(1)(c) of the Act and should be declared inadmissible without any consideration of the merits.

In support of its preliminary plea, STM also drew the Arbiter's attention to various previous decisions[5] which it argued reflect a clear and consistent line of jurisprudence concerning the interpretation and application of Article 21 of the Act. STM submitted that in each of these cases, the Arbiter reaffirmed that a complaint is inadmissible where it is lodged more than

[5] Case ASF 065/2023; ASF 030/2024; ASF 245/2024; ASF 183/2025; ASF 246/2025; ASF 116/2025 – P. 241

two years after the Complainant first became aware, or ought reasonably to have become aware, of the facts giving rise to the complaint. It argued that whilst the factual circumstances differ in certain respects, the legal principles governing the application of Article 21(1)(c) remain the same. STM Malta submitted that a consistent legal interpretation must apply and that the present Complaint should likewise be declared inadmissible.

f) The Service Provider therefore requested the Arbiter to:

(a) Declare the Complaint inadmissible pursuant to Article 21(1)(c) of the Act;

(b) Dismiss the Complaint in its entirety without entering into, or considering, the merits of the case;

(c) Insofar as applicable, uphold its plea under Article 41 of the TTA;

(d) Expressly preserve all rights, pleas, defences and protections available to STM under the TTA, including but not limited to, articles 30 and 41 thereof; and

(e) Reserve STM the right to supplement its submissions and raise such further pleas, exceptions, objections and defences as may be available.

In its concluding remarks, STM reiterated that the Complaint is prescribed, time-barred and inadmissible under Article 21(1)(c) of Cap. 555 and, insofar as applicable, Article 41 of Cap. 331.

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

Further Considers:

Preliminary Plea regarding the Competence of the Arbiter

Following the Arbiter's decree of 6 August 2026,[6] in which the Arbiter asked the Complainant to provide his submissions on the preliminary plea raised by STM

[6] P. 273 - 278

regarding the Arbiter's competence, the Complainant filed a detailed note dated 14 September 2026.[7]

In his note of submissions, the Complainant emphasised that the Complaint is based on the losses incurred as a result of the transfer of his UK pension to the Retirement Scheme, where he alleged that he was a victim of mis-selling in respect of such transfer. The requested compensation in his Complaint Form[8] indeed reflects not just the losses associated with any underlying investment of his Retirement Scheme but the total loss incurred involving such transfer.

The Complainant claimed that the Complaint is not time-barred and falls within the Arbiter's competence pursuant to Article 21(1)(d) of the Act, as it was argued that the matters complained of constitute a series of acts and omissions which were continuing in nature. It was *inter alia* submitted that:

> *'The Complainant acknowledges that the underlying KMG investments were sold in 2018 and the Equity Bridge (Skywalker) investments were 'disposed of' in 2021. However, the present complaint is not limited to the sale or performance of those investments. Rather, it concerns a wider course of conduct by the Service Provider in their capacity as trustee and administrator of the Complainant's pension scheme.*
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> *The matters complained of and as set out in the Complainant's letter of Complaint to the Service Provider dated 11th March 2026 include and are not limited to: the excessive fees and charges applied by the Service Provider, the Service Provider's failure upon taking over responsibility for the pension scheme from Harbour Pensions to notify the Complainant of the relevant breaches on the part of the previous trustees, and the failure to administer and manage the pension scheme and its underlying investments prudently and in the Complainant's best interests.*
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> *It is the Complainant's position that these matters cannot properly be characterised as a single act occurring at the point at which the KMG investments were sold in 2018, or alternatively when the Equity Bridge (Skywalker) asset was disposed on 30th April 2021, rather the conduct*

[7] P. 281 - 290
[8] P. 6

complained of relates to the Service Provider's subsequent and ongoing conduct in administering the pension scheme as a whole'.[9]

The Complainant further argued that STM's obligations and responsibilities did not cease upon the sale of the KMG investment or disposal of the Skywalker investment and that STM continued to act as trustee and RSA of the Scheme.

Further considerations

Article 21(1)(c) and (d)of the Act stipulate the following:

'(c) 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.

(d) Conduct that is continuing in nature shall be presumed to have occurred at the time when it stopped, and conduct that consists of a series of acts or omissions shall be presumed to have occurred when the last of those acts or omissions occurred.'

The matters complained of are the losses allegedly suffered on his Retirement Scheme which the Complainant claims arose as a result of the claimed mis-selling of the transfer of his UK pension into the Scheme, the alleged excessive fees and charges, the claimed inactions/misconduct of STM at the time it became the new trustee and RSA of the Scheme and thereafter, as well as the claimed inappropriate underlying investments allowed within his Scheme.

In order for the Arbiter to have competence to hear the Complaint, a formal complaint had to be registered in writing with the Service Provider not later than two years from the day on which the Complainant became aware of the contested matters.

The Complainant made a formal complaint with STM through a letter dated 11 March 2026.[10] For the purposes of Article 21(1)(c) of the Act, the Arbiter would

[9] P. 282
[10] P. 12 - 25

accordingly lack competence if it is proven that the Complainant first had knowledge of the matters complained of before 11 March 2024.

The Arbiter considers the following as relevant factors in determining the preliminary plea about his competence:

(i) Claimed mis-selling related to the transfer into the Scheme and excessive fees and charges - The Complainant applied to become a member of the Harbour Retirement Scheme[11] through his Application dated 12/5/14.[12] His professional adviser in the said form was indicated as *Servatus Limited* (an entity based in Ireland).[13, 14] The transfer from his UK Pension to the Scheme occurred in early September 2014.[15]

The Scheme's underlying investment portfolio was held with an investment platform of *Ardan International Limited* (an entity based in the Isle of Man). The investment portfolio was initially constituted on *'15 October 2014'*.[16]

As to the fees applicable to the Scheme, the Complainant signed a Charging Schedule on 12/5/14.[17]

The claimed mis-selling involving the transfer of the Scheme and the claimed charging of excessive fees (which the Complainant had both signed for in 2014), involve specific events occurring in 2014, which are not deemed to be conduct continuing in nature. The alleged mis-selling is a one-off occurrence strictly tied to the point of sale, that is, the transfer. The claimed excessive fees and charges are similarly specific - albeit the fees were applied on an ongoing basis, the Complainant was aware of such application both prior to and at the time of deduction of the fees in terms of his agreement for the

[11] At the time of the original trustee, Harbour Pensions Limited, the Scheme's name was Harbour Retirement Scheme.
[12] P. 61
[13] P. 56
[14] The financial advisor was later indicated as *Creechurch Capital Ltd* - E.g. STM Statements as at 31 Dec 2020 (P. 224) & as at 31 Dec 2021 (P. 261).
[15] P. 77
[16] P. 108
[17] P. 63

application of such fees at the time of membership of the Scheme in 2014.

Additionally, no new material or extraordinary events occurred, and the matters rather involve the normal course of the product complained of.

Accordingly, the alleged misconduct is not considered continuing in nature.

The Arbiter notes that the above-mentioned stance (particularly with respect to fees) is reflected in several of his previous decisions (such as Case ASF 096/2022, ASF 160/2023, ASF 245/2024).

(ii) Inactions of the Service Provider - STM became the new trustee and RSA of the Scheme when it took over from Harbour Pensions Limited in 2018. The alleged inactions of STM at the time it took over as the new trustee and RSA are also alleged misconduct occurring in 2018. No complaint was filed at the time or within two years of STM's appointment.

The Complainant claimed that STM's misconduct continued thereafter throughout its appointment. In its note of September 2026, it was submitted that:

> *'…the Complainant continued to have a pension administered by STM containing assets which, on the Complainant's case, were unsuitable and had not been administered in their best interests. STM's continuing administration of the pension and its failure to remedy or appropriately address the position therefore formed part of the continuing conduct complained of'* [18]

However, the Complainant failed to clearly identify which underlying investments within his Scheme were actually being disputed. Certain inconsistencies and a lack of clarity in fact emerged regarding the disputed investments, as outlined further below. Furthermore, for the

[18] P. 283

purposes of Article 21(1) of the Act, the date of first knowledge is not strictly when the Complainant himself realised a potential misconduct of the provider but the date of first knowledge of the matters complained of, which in this case is the losses or damages claimed to have been suffered on his Scheme.

(iii) Disputed Underlying investments - As detailed in the Arbiter's decree of 6 August 2026, the Complainant was requested to clarify exactly which are (i) the disputed underlying investments he was complaining about and (ii) the loss he was alleging from the failed underlying investments.[19] Such clarifications were requested for the reasons outlined in the said decree – namely, given that in his Complaint to the OAFS the Complaint referred to the *Chancery Global Funds plc* ('the CGF fund') when this fund did not feature in his underlying portfolio, which portfolio included other distinct funds.

In addition, as per Table A of the Arbiter's decree, the other mentioned underlying investments of the Complainant's portfolio that were indicated in the formal complaint to the Service Provider involved the *KMG Castel Residential Property A GBP* fund, which was actually sold for a profit in 2018, and the *Equitybridge Secured Fund C* also sold in 2018 but at a loss of around GBP 2,700. Reference was also made in the said decree to another investment bearing the term *'Skywalker'* which was sold at GBP 0.00 in April 2021.[20]

In his reply, the Complainant confirmed that:

- the reference to the CGF *'in the OAFS complaint form was made in error'*,[21]

- *'the disputed underlying investments in this complaint are KMG Castel Residential Property A and Equitybridge Secured Fund as identified in the original complaint submitted to the Service Provider. However,…the funds KMG and Equitybridge are merely*

[19] P. 275 - 278
[20] P. 277 & 278
[21] P. 288

examples…and were not meant to be an exhaustive list of the types of investments made within the Complainant's pension portfolio';[22] and

- that *'the claim is for the losses associated with the transfer of his pension from the UK to Harbour Pensions Limited and is not limited to a complaint about the poor performance of a single investment'*.[23]

In the circumstances, and given that the CGF fund formed the basis of the Complaint to the OAFS, a fund that does not even feature in the Complainant's investment portfolio, the Arbiter will not consider this aspect further, as this subject matter is dismissed in its entirety. In any case, the crystallisation of the losses of the investments mentioned above occurred way before 2024 as indicated.

(iv) In the Complaint Form to the OAFS, the Complainant indicated *'30/09/2024'* as the date when he considered he had first knowledge of the matters he was complaining about.[24] It is unclear why the Complainant indicated this date, which instead reflects developments relating to an unrelated fund, the CGF fund. In his Complaint Form, the Complainant explained that:

> *'CGF did not enter into voluntary liquidation until 05 April 2024…The CGF sub funds remained in the C's portfolio until September 2024 when a final dividend payment was forwarded to the C'*[25]

However, as explained above, the CGF fund was not part of the Complainant's underlying investment portfolio.

The conduct complained of is not considered an aspect which is continuing in nature for the purposes of Article 21(1)(d) of the Act. Given the particular circumstances of this case, the Arbiter accepts the Service Provider's claim that

[22] *Ibid.*
[23] P. 289
[24] P. 2
[25] P. 5 & 6

the Complainant had knowledge of the matters complained of more than two years before the date of his written complaint of March 2026.

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 and is accordingly dismissing 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 Complainant may have to seek redress before another court or tribunal competent to hear his case.

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.