

The complaint

Mrs G complains that the Prudential Assurance Company Limited (Prudential) handled her withdrawal from an investment unreasonably.

What happened

On 18 March 2020, Prudential provided information to Mrs G's financial advisor about the value of her investment. The investment was divided into units, whose value changed each day. The value given used the 18 March unit value.

Expecting she'd get the value on the statement, Mrs G decided to withdraw her funds. Her financial advisor sent an online withdrawal request to Prudential at around 4pm that day.

Prudential say that because the request was received after mid-day on 18 March, the amount Mrs G received was calculated using the unit value from the next working day – 19 March. They've also said that the unit price went down at the end of the day on 18 March, due to a sudden drop in share prices, linked to the Coronavirus pandemic.

This meant Mrs G received less than she'd expected. She raised this with her financial advisor, who complained to Prudential – and then to us – on her behalf.

Our investigator looked at the complaint and found Prudential hadn't done anything wrong. He felt their online process had been clear that the withdrawal would be calculated using the following day's unit value, because it was completed after mid-day. He felt that was a reasonable way for Prudential to run the withdrawal process.

Mrs G disagreed. She felt the value she was told using the 18 March unit value should have been what she got when the withdrawal was submitted on 18 March. And her advisor argued more could have been done to tell Mrs G that the unit price was being lowered, so she could have tried to cancel the withdrawal before it was completed.

Because the complaint hasn't been resolved, it's come to me for a formal decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've decided not to uphold Mrs G's complaint. I appreciate this will be disappointing for Mrs G, but I'll explain how I've come to my decision.

I've looked at the statement Mrs G got on 18 March. I can see this gave a "*value before withdrawal*", which I understand was calculated using the 18 March unit value.

I do appreciate some of what Mrs G is saying. The time on the statement document appears to be after mid-day. So Mrs G, at that point, wasn't able to get the figure as detailed on the statement. I can see how it would have been clearer if the statement had highlighted that the

figure could change, as the value for the withdrawal would be calculated using the following day's unit value.

With that said, I note there's no guarantee given on the statement to say Mrs G was going to receive the value it showed. And Prudential have shown us the final screen from their online process for requesting a withdrawal from an investment. This explained that requests made after mid-day would be valued using the unit value for the next working day. This warning reflects what I've seen in the policy provisions document for the investment, specifically term 4.2.1.b)i.

And I find Prudential couldn't reasonably be expected to give a revised figure at the time Mrs G asked for the withdrawal. Their process used the unit value for the following day, which hadn't been set when Mrs G's request was submitted.

So I find Prudential did enough to make it clear – in the terms of the policy and before Mrs G's withdrawal was completed – that the unit value for 19 March would be used for valuing the withdrawal made after mid-day on 18 March, rather than the figure given in the statement.

I can also appreciate why the change that happened to the unit value between 18 and 19 March was a surprise to Mrs G. The process being followed is again in the policy provisions document – part 3.3.6.7.c) – which explains it's an adjustment that's only made in certain circumstances. If those circumstances hadn't happened often in the past, Mrs G might not have been aware they could happen on 18 March when she requested the withdrawal.

But just because it didn't happen often, doesn't make it unreasonable for Prudential to make the adjustment. Particularly as it was designed to be part of the investment scheme, and explained in its policy document. I accept that the Coronavirus pandemic created a sharp – and somewhat unforeseeable – change to the performance of the investment fund. And I accept the circumstances met the criteria set out in the policy terms for Prudential to make a change to the unit value. So I find it was reasonable for Prudential to adjust the unit value.

Prudential have said that the unit value for 19 March was set at the close of play on 18 March. This makes sense to me. For the rate to reflect all of what happened on 18 March, it could only be set at the end of that day. It unfortunately meant that Mrs G didn't know what rate she was committing to when she requested the withdrawal. But it also means Prudential couldn't know either. So I find it's reasonable that they didn't say exactly what Mrs G was going to receive when she submitted her request.

Finally, I've thought about the point made by Mrs G's advisor – that an earlier announcement of the change to the unit value would have given her more chance to cancel the request. But again, the online process was quite clear on this point. The final screen I've seen stressed that the request to withdraw funds couldn't be reversed once submitted.

Mrs G's advisor has talked about an email saying Prudential could be contacted if a request made hadn't actually come from the customer. But that reads to me as more of a process for combatting fraud, rather than allowing a customer to change their mind about something Prudential had warned couldn't be reversed. So I don't agree this shows the withdrawal could have been reversed at some point after it was requested.

My finding is that Prudential did enough here to explain that the withdrawal would be calculated using the unit value that they used. Mrs G, through her advisor, chose to commit – irreversibly – to the withdrawal before it was possible to know what that rate would be. While I sympathise with Mrs G for the unwelcome surprise this caused, I can't see that's

been caused by Prudential doing something wrong, or something that didn't fall within the terms of the policy they provided.

My final decision

I don't uphold Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 19 February 2021.

Paul Mellor
Ombudsman