

## The complaint

Mr H complains that his queries haven't been adequately addressed by The Prudential Assurance Company Limited, referred to as "Prudential".

## What happened

On 15 November 2019, Mr H received a letter from Prudential about how the charges and costs on his investment bond would be shown going forward.

On 26 November 2019, Mr H wrote back to Prudential raising a formal complaint about the letter. He said it was vague and inadequate, and also asked for *'all of the current and proposed charges and costs and fund disclosures'* relating to his existing policy.

Prudential wrote back on 29 November 2019, detailing the costs and charges applicable to his policy and any future costs and charges that might apply. It also included the following documents:

- The Key Features Document.
- 'Market Value Reduction – A clear explanation'.
- 'Your With Profits Plan – a guide to how we manage the fund'.

Mr H wrote Prudential again – on 6 December 2019 and 9 December 2019 with a list of additional questions and queries, including the following:

- Would he be prevented from making withdrawals as and when he pleased?
- Were there any concerns/issues regarding the current or future valuation of property or other assets held by M & G Securities Limited (M&G), held on his behalf?
- Were there any matters, of any kind, relating to the M&G property fund, or any other fund, that should've been brought to his attention as a customer?
- In respect of the funds that Mr H is invested in, what role is played by M&G or any other Authorised Corporate Director (ACD)?

Prudential didn't address the issues as a complaint – but as a further request for information – so no referral was provided to our service.

In a response (incorrectly) dated 19 December 2019, I note Prudential said:

*"As confirmed in our letter of 29 November 2019 you are currently invested in the Optimum Return With Profits fund, which has no restrictions on any valid withdrawal requests.*

*I note you being a concerned customer, however, I can confirm that, currently, we do not believe the situation regarding Prudential M&G Property Portfolio Funds will impact any of our other funds.*

*Therefore, having no impact to your fund, nor are we required to bring this to your attention as your investment fund is not directly impacted by the Prudential M&G Property Portfolio Funds nor the M&G Securities or any other ACD".*

Mr H also complained to M&G some days later on 28 December 2019.

One of our investigators considered the complaint – and initially thought it should be upheld on the basis that Prudential’s letter of 19 December 2019 didn’t adequately answer Mr H’s questions – but upon reflection she decided that the complaint shouldn’t be upheld. In summary, she said:

- She’s generally satisfied that the information provided by Prudential was reasonable. It explained the relevant charges and costs, how these were applied and if they’re likely to change in future.
- Mr H notified the investigator after her initial view that he’d raised a complaint about the further issues – against M&G – on 28 December 2019.
- Subsequently Prudential also confirmed that M&G had answered Mr H’s concerns in its letter of 20 January 2020, so there was no need for it to consider the issues further.
- So, upon reflection, she’s satisfied that Mr H’s relevant questions and queries have been dealt with and adequately answered by Prudential.

Mr H disagreed with the investigator’s view and asked for an ombudsman’s decision. He’s unhappy about what he calls the ‘woeful mishandling’ of his complaint by both Prudential and the investigator.

As no agreement has been reached the matter has been passed to me for review.

### **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 agree with the investigator’s latest conclusions for much the same reasons. I’m not going to uphold this complaint.

On the face of the evidence, and on balance, I don’t think the business has behaved unreasonably in responding to Mr H’s questions and queries. I’m also satisfied that the information it provided was reasonable.

But before I explain why this is the case, I think it’s important for me to recognise Mr H’s strength of feeling about this matter. He’s provided submissions to support the complaint, which I’ve read and considered carefully. However, I hope he won’t take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn’t to address every single point raised, it’s not what I’m required to do in order to reach a decision in this case. I appreciate this can be frustrating, but it doesn’t mean I’m not considering the pertinent points.

My role is to consider the evidence presented by Mr H and Prudential, and reach what I think is an independent, fair and reasonable decision based on the facts of the case, rather than take any sides.

In deciding what’s fair and reasonable, I must consider the relevant law, regulation and best industry practice, but perhaps unlike a court or tribunal I’m not bound by this. It’s for me to decide, based on the information I’ve been given, what’s more likely than not to have happened.

On balance I'm satisfied that the response from Prudential explained the relevant charges and costs, how they were likely to be applied to Mr H's investment bond and if they were likely to change in future – in its response dated 29 November 2019 – which are all the things that Mr H primarily wanted to know about.

For example, I note Prudential explained the following:

*“For the sake of clarity, please find below a list of the current charges that apply, or may apply, to your investment based on its current status. These charges are not and never have been guaranteed (unclear) may go up or down depending on the performance of the Optimum Return With Profits fund which you are currently Invested in.*

*Any on-going charges or expenses are implicit, they are deducted from the investment fund itself and not directly from your policy or its value, in effect the expenses are taken before any growth (by way of bonuses) is applied to your policy.”*

It also said:

*The current Annual Management Charge (AMC) applicable on the Optimum Return With Profits Fund Is 1.25% of the total value including any Terminal Bonus available'. The AMC is variable depending on the overall performance of the fund so may go up or down in the future.*

*There are further costs which are not included in the AMC. We cannot provide a clearer breakdown of these than what has already been included in your Annual Statement, nor are we obliged to by any legislation. Prudential's With Profits Funds have assets last valued at £104.3 billion, some of these assets include properties and utilities which will have additional costs for maintenance etc. These costs are deducted from the underlying fund itself and not from the value of your policy, presently these equate to 0.19 % which is again variable.”*

I note that Prudential also provided further information – in the form of key documents – for Mr H's consideration which would've provided further detail and explanation to the response given. So, overall, I'm satisfied that Prudential provided reasonable answers to Mr H's questions and has done so in a reasonable amount of time. I don't think it's necessary for me to go through the questions and answers which are generally self-explanatory.

Also having dealt with Mr H's other (separate) complaint against M&G, I'm unable to say that Prudential has behaved unreasonably in this instance by not providing specific answers to his questions that M&G was probably better placed to answer. So, in this instance I don't blame Prudential for not answering questions specifically relating to M&G.

That notwithstanding, I note Prudential has also confirmed that the ACD of any other fund held by Mr H with Prudential broadly plays a similar role to the role played by M&G as an ACD of the Managed Growth Fund. In other words, Prudential has confirmed that the role of ACD is broadly the same.

In conclusion, on the face of the evidence, and on balance, despite what Mr H says, I'm unable to safely say that Prudential has done anything wrong.

I appreciate Mr H will be very unhappy I've reached the same conclusion as the investigator. But I can't say that Prudential has behaved unreasonably by not addressing Mr H's concerns about M&G in its final response to him.

I realise my decision isn't what Mr H wants to hear. Whilst I appreciate his frustration, I'm unable to uphold this complaint.

### **My final decision**

For the reasons set out above, I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 March 2021.

Dara Islam  
**Ombudsman**