

## **The complaint**

Mr and Mrs G complain that The Prudential Assurance Company Limited (“Prudential”) has over-charged them. They say that Prudential won’t provide them with a full breakdown of the fees charged, or how they’ve been calculated.

## **What happened**

Mr and Mrs G say that, in September 2016, it was agreed that they would receive a discount on the 1.25% annual management charge (“AMC”). Prudential told them the discount would be 0.5% on their May 2013 investment and 0.525% on their September 2015 investment.

But when they received their annual statement in May 2019, it showed the AMC and other chargeable expenses of 1.40% and 1.44% with a discount of 0.52%.

Prudential said that from May 2018, it was reporting its fees differently and that the percentages include other chargeable expenses (“OCE’s”) which have always been charged, but not set out in its statements. Rather than what they were told in 2016, Mr and Mrs G receive a discount of 0.525% on the annual management charge of 1.25% across their entire investment. Its statements only show the discount to two decimal places. Prudential provided further information to explain how the charges are calculated and charged and provided reassurance that Mr and Mrs G have not been over-charged.

It apologised that Mr and Mrs G were given wrong information in September 2016 and sent a cheque for £100 by way of compensation. And it apologised for any misunderstanding caused during the phone call on 19 July 2019 and sent a cheque for £75 by way of compensation.

Mr and Mrs G were not reassured by the information provided and referred their complaint to this service.

Our investigator didn’t recommend that the complaint should be upheld. She concluded that the balance of evidence didn’t support that Prudential had over-charged Mr and Mrs G and that it wasn’t reasonable to ask Prudential to provide any further breakdowns of the charges.

Mr and Mrs G didn’t agree. Mr G said, in summary, that:

- The discount in 2016 has not been fully applied.
- Mr and Mrs G invested further significant sums because of the agreed discount.
- Mr G had repeatedly asked whether the charges were based on the fund value including or excluding the final bonus and this has only been clarified since our investigator set this out in her view of the complaint.

## **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.

I've looked at the information Prudential has provided to us and to Mr and Mrs G. And I'm satisfied that the annual management charges have been charged as agreed. The annual management charge is 1.25% and Mr and Mrs G receive a discount of 0.525%. This has been applied across Mr and Mrs G's entire investment – so I don't find it's not been fully applied as suggested by Mr G.

The discount is printed as 0.52% on Mr and Mrs G's statements but Prudential has explained this is because its systems will only print the discount to two decimal places.

The fee percentage showing on Mr and Mrs G's statements is higher than 1.25% because it now includes OCE's, which have always been charged, but not previously reported in this way.

Prudential made a mistake in 2016 when it gave Mr and Mrs G information about its fee and discount. But the actual fee, taking the discount in to account, was less than what it said in its letter. So I don't find this mistake has negatively impacted Mr and Mrs G.

Looking at all the evidence, I'm not persuaded that Mr and Mrs G have been over-charged.

The annual charge is integrated into the unit prices and a proportion is deducted on a daily basis. So Prudential can't provide Mr and Mrs G with the full breakdown they've requested. The ombudsman service isn't the regulator. We can't tell a business what information they should report to their customers. However, I've looked at whether Prudential has given Mr and Mrs G clear enough information about the charges on their account. And I think the statements sent to Mr and Mrs G provide them with sufficiently clear information about its charges. They also include the same level of information that Prudential provides to its other customers.

I accept Prudential doesn't provide the information about charges in the format that Mr and Mrs G would like. But I can't say Prudential has failed to do what it should, or treated Mr and Mrs G unfairly.

Prudential has accepted that it did give Mr and Mrs G wrong information in 2016 and that the information given in its phone call in July 2019 could have been clearer. It recognised this would have caused Mr and Mrs G some distress and inconvenience and paid them £175 compensation. I consider this to be fair and reasonable, and I don't find it needs to do anything more.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 23 June 2021.

Elizabeth Dawes  
**Ombudsman**