

## **The complaint**

Mr and Mrs R complain about the service they received from The Prudential Assurance Company Limited when they surrendered their investment.

## **What happened**

Mr and Mrs R surrendered their investment in April 2020. The value of it had dropped in March, due to Prudential lowering the unit price of its Prufund Cautious Fund. Prudential say that adjustment was to reflect falls in the fund's value, caused by the coronavirus pandemic.

Mr and Mrs R were unhappy to see Prudential later increased the unit price of the fund. They complained that if Prudential had made it clearer that was possible, they wouldn't have surrendered all of their investment. They noted they'd tried to call Prudential about the unit price adjustment (UPA) before surrendering their policy, but had struggled to speak to someone about it.

In response to the complaint, Prudential explained how the UPA worked and why it had been applied. It said information about this was available at the time on its website, and through the MyPru online service. Prudential felt this had been enough to inform Mr and Mrs R about it before they surrendered their investment.

But Prudential did find there'd been unreasonable delays on its phone lines. It said this was because it was receiving a higher number of calls than expected. It also said it'd taken longer than it should have to process Mr and Mrs R's request to surrender the investment. And it felt the first response to the complaint hadn't done enough to deal with the UPA point.

Prudential apologised for these issues, and offered Mr and Mrs R a total of £250 compensation for the trouble and upset caused. And it paid them £11.77 to compensate for any interest lost due to the delay giving Mr and Mrs R their money.

Mr and Mrs R didn't feel this reflected what they'd lost from their investment, so they brought the complaint to us. Our investigator looked at it, but reached a similar conclusion to Prudential. There'd been unreasonable difficulties contacting Prudential by phone, and there'd been some delay when giving Mr and Mrs R their money. But she found Prudential didn't need to do any more about the UPA complaint.

Mr and Mrs R asked for the complaint to be looked at again by an ombudsman, so it's come to me.

## **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 there's nothing further Prudential need to do to resolve this complaint. I'll explain why.

Mr and Mrs R's decision to surrender their investment seems driven by a concern that its value could have dropped again, after the UPA in March. I can accept Prudential told them that was possible, even though the value was actually adjusted upwards later. Prudential can't be expected to predict what would happen in the future, particularly given the exceptional circumstances 2020 brought to investment funds.

For a reasonable service level, Prudential should have given Mr and Mrs R enough information for them to make an informed choice, when deciding whether to surrender their investment.

I've looked at the information Prudential have on their website about UPAs. While I appreciate Mr and Mrs R say they couldn't find this information, it is fairly easily found in the section dealing with PruFund investments. The information – particularly a leaflet called "*A step-by-step guide to the PruFund smoothing process*" - explains the process in a clear and reasonable way. Given Prudential had this information available publicly, I find it's taken reasonable steps to make information about the UPA available to Mr and Mrs R.

I don't have any recording of Mr and Mrs R's conversation with Prudential or their advisor about UPAs. Mr and Mrs R say they weren't told UPAs could be made upward, as well as down. It appears the fact further falls were possible was enough of a risk for them to decide not to keep their money invested.

I can't see the perception of that risk would have been changed greatly by knowing the value might not fall, or might increase. Prudential couldn't have offered any certainty about what would happen after March 2020, meaning the risk of a further fall would still have been there to influence Mr and Mrs R's decision.

The value was being driven by events on a global scale, beyond Prudential's direct control. With hindsight, I can see how Mr and Mrs R feel they'd have been better to leave their money invested. But I'm not convinced that would have been their decision at the time, even if they'd been explicitly told there could be an upward UPA at some point.

I'm satisfied Prudential did enough to inform Mr and Mrs R about the risks affecting their investment. There was enough information available for them to make an informed choice about whether to surrender it when they did. And nothing Prudential said seems to have been incorrect. So I find Prudential don't need to do any more to remedy that part of the complaint.

Mr and Mrs R have commented that the trouble reaching Prudential on the phone influenced their decision to surrender the investment. But I find the issues Prudential had maintaining a suitable level of telephone service were understandable, given the events of March 2020.

Workplaces were closed at short notice. Some people saw their income reduced and had to turn to their savings. And share prices saw rapid changes.

I can see how this increased demand for Prudential's services beyond what it could have been expecting. While I can appreciate Mr and Mrs R would have been more reassured if they could have picked up the phone and spoken to someone, I find it's unfair to blame Prudential for the wider circumstances that affected its service on this point.

With that said, Prudential have offered Mr and Mrs R some compensation for the issues they had getting through, getting an answer to their complaint, and getting their money after the investment was surrendered. I feel the £250 offered acknowledges that Prudential's service level was less than either it or Mr and Mrs R would have liked. And it suitably stops short of

trying to remedy all of Mr and Mrs R's frustrations with the situation they were in, which in many ways reflected the unique events of March 2020.

Given that balance, I find Prudential's offers – and its apologies – were suitable to reflect its view of the complaint, and try to resolve it. I'm not going to direct them to take any further action.

### **My final decision**

With the above in mind, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 13 August 2021.

Paul Mellor  
**Ombudsman**