

The complaint

Mr W complains about the administration of his investments by The Prudential Assurance Company Limited, referred to as “Prudential”.

What happened

In my provisional decision of early June 2021, a copy of which is quoted below and forms part of this final decision, I said I was minded to uphold the complaint. In summary, I said:

“...subject to any further submissions, provisionally I’m minded to uphold the complaint.

On the face of the evidence, and on balance, I don’t think that Prudential dealt with the administration of Mr W’s investments appropriately. In the circumstances, I also don’t think that the compensation offered by Prudential is reasonable.

But before I explain why this is the case, I think it’s important for me to note Mr W’s strength of feeling about this matter. He’s provided detailed 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. My role is to consider the evidence presented by Mr W and Prudential, and reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what’s fair and reasonable, I must take into account the relevant law, regulation and best industry practice. But it’s for me to decide, based on the information I’ve been given, what’s more likely than not to have happened.

In relation to the 841 plan, I note the default position, as per the terms and conditions, is that Prudential would pay-out the value of the investment if it didn’t hear from the investor. However, in this instance, Prudential wasn’t justified in doing so.

I note Mr W filled out the form as requested by Prudential, in good time, making reasonably clear that he wanted. In the circumstances, I don’t think there was anything more that he could’ve (reasonably) done to make his intentions known. I note he even followed up his instructions with an email to Prudential that was left unactioned.

Although Prudential accepts that it made an error, I agree with the investigator that its mistake has had a substantial and irreversible impact, so it’s now unable to reinstate the plan as per Mr W’s instructions, and he’s lost his tax status.

However, I note that Prudential has offered to reinstate a whole of life policy as an alternative, backdated to March 2020 so he doesn’t lose out. It has also offered to take out an indemnity to cover any subsequent tax liability, which Mr W has agreed to. However, in the circumstances, and on balance, I think Prudential should pay Mr W an additional £500 compensation – not £400 as originally offered – for the distress and inconvenience caused. I

think £500 is broadly fair and reasonable in the circumstances.

The above notwithstanding, on the face of the evidence, and on balance, despite what Mr W says, I think the recommendation to pay an additional £400 compensation for the numerous additional errors and delays, in addition to what Prudential had paid – taken in the round – is broadly fair and reasonable.

In other words, I agree with the investigator's recommendation to pay an additional £400 – making a total payment of £1,311.24, including my recommendation – for the overall distress and inconvenience caused by the numerous additional errors and delays, that's likely to have compounded Mr W's already significant distress and inconvenience caused.

This includes £411.24 already paid (with interest), for Prudential's errors in relation to various matters, including the incorrect information being provided on 31 December 2020 and 4 January 2021, failure to include the form for the 794 plan, incorrect statements and time taken to send them, and the delay in paying the £400 compensation offered. I note the investigator provided Mr W with information in relation to this.

I'm mindful that it took Prudential 10 months to re-instate the policy, and it has been over 10 months since Mr W asked for statements for the two plans and it's only just provided a corrected statement for the 794 plan. I also don't think it was right for Prudential to continue to communicate with Mr W via email when he said he wasn't able to receive emails, such that he didn't know the status of his plan until August 2020.

I'm mindful of the points Mr W makes about the graphs, but on the face of the evidence, and on balance, despite what he says in the circumstances, I'm unable to safely say that Prudential is responsible for the issues he experienced whilst accessing its site from a library. I think it's likely that the issues were more likely than not the result of his use of the library internet service.

I also note what he says about the correspondence he's been receiving, but I don't think I can blame Prudential for this. Given the general impact of Covid-19 on businesses and the new ways of working, it's likely that letters that Mr W refers to are printed and sent from a different location. Not only that, but there are also likely to be issues with the postal service.

If that's the case, I can't blame Prudential for the actions of a third-party postal service. In conclusion, I think Prudential quite rightly accepts that it made errors in dealing with Mr W's plans. Not only from the outset, but also after conceding its errors, which is why Mr W has (understandably) lost confidence in Prudential's ability to deal with his issues.

It's principally because of these reasons, and the overall time taken to deal with (and rectify) its numerous errors that I think the business should pay Mr W £900 compensation for the overall distress and inconvenience caused, on top of the £411.24 it has already paid in relation to the errors.

Despite my upholding this complaint, I appreciate Mr W might be unhappy that I've not gone far enough with the compensation. So, I realise my decision isn't what he wants to hear. But on the face of the available evidence, and on balance, I think £900 compensation – on top of what it has paid – is overall fair and reasonable for this part of the complaint."

Prudential provided a copy of the new statement and the tax form. It had no new points to add.

Mr W responded and made the following key points:

- He'd like to be sent the £500 as soon as possible.
- He'll then take his complaint to the Independent Assessor because I have ignored his instructions, which meant that no one was sent to Prudential to gather the information needed to make the correct decision.
- My decision contains statements, but none of the statements are backed by evidence.
- He hasn't received the tax form.
- He's received the relevant statement, it's correct but it's in a spreadsheet form – it should've been done by M&G's program.
- This has caused an error on the statement, namely that '10.06.19' appears on the '25.05.21' statement, and on the program statement of '10.06.19'.
- This duplication wouldn't have occurred if M&G's program had been used to produce the '25.06.21' statement.

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, my decision remains the same as set out in my provisional decision, for the same reasons.

Notwithstanding the points made by Mr W, I don't consider that any new material points have been made. I'm still satisfied that the key points remain the same, and have been considered by me, in my provisional decision (PD).

I don't consider it appropriate to send someone to Prudential to gather information. I'm reasonably satisfied that I have all the information I need to make my final decision.

I note that since issuing my PD, our service has forwarded a copy of the tax form (from Prudential) to Mr W, as requested.

Mr W has also confirmed that the number of units in the last statement he received from M&G is correct, albeit not in the format that he wanted. At my request, Prudential will see if it can produce a statement using the "M&G program".

Notwithstanding the observations made by Mr W, my decision remains the same. On the face of the evidence, and on balance, I still don't think that Prudential dealt with the administration of his investments appropriately. I also don't think that the compensation offered by Prudential is reasonable.

Putting things right

The Prudential Assurance Company Limited should, if it hasn't already done so, pay compensation and do the following:

- Re-instate the 841 plan – as a whole of life policy – with a nominal £5 yearly premium with £136,348 worth of units.
- Provide an indemnity to cover any tax arising from this, as a consequence of Mr W losing his previous tax status on the plan as a result of Prudential's error.
- In total, pay Mr W £900 compensation for the significant distress and inconvenience caused by its numerous errors.

My final decision

For the reasons set out above, and in my provisional decision, I uphold this complaint.

The Prudential Assurance Company Limited should award redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 July 2021.

Dara Islam
Ombudsman