

## **The complaint**

Mrs A complains that The Prudential Assurance Company Limited (“Prudential”) failed to action her instruction to transfer her pension savings to another provider in a timely manner.

## **What happened**

Mrs A held pension savings with Prudential. On 12 March 2020 Prudential received a transfer request for Mrs A’s pension savings from another provider via the Origo automated platform. Prudential added the transfer instruction to its systems on the same date and it set a target completion date of 26 March.

In order to transfer Mrs A’s pension savings Prudential needed to sell Mrs A’s investments. That sale didn’t take place until 24 March and two explanations have been provided for the delay. Prudential has said that Mrs A’s regular pension contribution was collected by direct debit the day the transfer request was first received. So it would normally allow a period of around five days for that payment to be processed before starting the transfer activity. And it points out that it operates to a 10-working day SLA for transfers of this nature.

On 17 March, a unit price adjustment (“UPA”) was applied to Mrs A’s pension investments. So Mrs A says the value of her pension savings was reduced by approximately £28,000. She complained to Prudential that it had failed to make her aware that the collection of her regular contribution might delay the transfer of her pension savings. And she said that, but for that delay, her pension savings would have been transferred before the UPA was applied.

When it looked into Mrs A’s complaint Prudential accepted that she might have been given some incorrect information by her Regional Account Manager. Mrs A said she had been told that her pension savings could be transferred within two days. But Prudential said that information was incorrect, so although it apologised for the error, it didn’t think the time it had taken to transfer the pension savings had been unreasonable. Mrs A didn’t accept that explanation so brought her complaint to this Service.

Her complaint has been assessed by two of our investigators. They thought that Prudential had completed the transfer request within a reasonable period of time. And they hadn’t seen any evidence to suggest that Mrs A had asked for her regular contribution to not be collected, or that the transfer would have completed before the UPA had it not been collected. So they didn’t think the complaint should be upheld.

Mrs A didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## **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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs A and by Prudential. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority ("FCA"). Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I don't think the basic facts behind this complaint are in dispute. Prudential received a valid instruction for the transfer of Mrs A's pension savings on 12 March 2020. The value of her pension savings was reduced on 17 March when the UPA was applied. And the transfer request was completed when the funds were sent to the new provider on 25 March.

I think the starting point for my consideration of the complaint should be the terms and conditions that applied to Mrs A's pension plan. I think the relevant sections here are sections 15.4 and 15.10 that generally relate to the buying and selling of investments. They read;

*15.4 If we receive the instruction by 12 noon on a working day, it will be processed on the same working day or as soon as reasonably practicable if this is not possible. If we receive the instruction after 12 noon on a working day or on a non-working day, it will be processed the next working day.*

*15.10 Where you are looking to make a transfer out or a payment of benefits, the timescales in 15.4 will not apply. However, we will facilitate the transfer out or payment as soon as reasonably practicable after we have received all of the documentation we require.*

Prudential has said that it operates to a ten-day SLA for making transfers to another provider. It says those timescales have been approved by its regulator the FCA. But the ten-day SLA doesn't seem to me to be referenced in the relevant terms and conditions. Those simply require Prudential to make the transfer "as soon as reasonably practicable". And so it is on that basis that I think I should consider this complaint.

But of course there is no fixed definition of what might be considered "as soon as reasonably practicable". The individual circumstances of a transfer might make a difference to those timings from case to case. And factors including other processing activity, such as the receipt of a regular contribution, or the sale of investments, might mean one transfer takes longer than another. But, in general, I don't think I would consider a period of ten days to be unreasonable for completing a transfer such as this.

It doesn't seem to me that Mrs A's complaint stems from the elapsed time that the transfer took. I think it unlikely that, had there been no external market activities that affected the value of her pension savings, she would have been unhappy with the transfer process. But the UPA that was applied brought the timing of the transfer into sharp focus.

March 2020 saw an unprecedented level of market volatility resulting from the start of the coronavirus pandemic. As a result the investment that Mrs A held for her pension savings applied a UPA on 17 March. That UPA was applied to ensure that the interests of all policyholders were protected at a time when a large volume of money was leaving the fund.

It ensured that those withdrawals fairly reflected the underlying assets that comprised the fund investments.

By its nature a UPA is not publicised in advance – to do so would compromise the very rationale of its implementation. So it wasn't something that Mrs A could have taken into account when giving her transfer instruction, or Prudential considered when acting upon it. It was simply unfortunate timing that the UPA was applied before Mrs A's transfer had been completed.

I have considered the incorrect information that Mrs A says she was given by her Prudential account manager. Although those calls aren't routinely recorded, like Prudential, I have no reason to doubt Mrs A's recollections of those discussions. And I can understand why she was so disappointed that the information turned out to be incorrect.

But I haven't seen anything to make me think that Mrs A relied on that information to ensure that her pension savings were transferred by a certain date. So, even if she had been given correct information, I cannot conclude that she might have instructed the transfer earlier, and so avoided the UPA being applied. As I noted above, UPAs are not announced in advance, so Mrs A wouldn't have known about it when she was considering giving her transfer instruction.

It does seem possible that the collection of the regular contribution might have led Prudential to delay the start of its processing of Mrs A's transfer request. But I don't think that would automatically lead to a conclusion that the processing would have started earlier had there been no regular contribution due. As I said at the outset, when Prudential received Mrs A's transfer request it added a target completion date of ten days later. I think it most likely that the start of Prudential's processing of the transfer request would have been timed to ensure completion by the target date. And so processing would have started after the UPA was applied regardless.

I have no doubt how disappointing the reduction in the value of the pension savings would have been for Mrs A. I can see that Prudential contacted her financial advisor before completing the sale of the pension investments to ensure Mrs A wanted to continue at the reduced value. But I don't think that the reduction in the value of the pension savings was as a result of any unreasonable delays that took place during Prudential's processing of Mrs A's instruction. So I don't think Prudential has done anything wrong that has caused Mrs A to lose out.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 16 June 2022.

Paul Reilly  
**Ombudsman**