

The complaint

Mrs T complains about The Prudential Assurance Company Limited (Prudential). She's unhappy with the transfer value Prudential paid when she transferred her Stakeholder Pension Plan to another pension provider. She considers that she's suffered a financial loss and she'd like to be compensated.

What happened

On 3 February 2022, Mrs T accessed information about her plan using Prudential's online portal, which said her total plan value was £78,421.92. Mrs T contacted Prudential on the same day, advising that she intended to transfer to another provider I'll refer to as, "Provider B". Following this, Provider B sent Prudential an electronic transfer request.

Prudential requested information from Mrs T about Provider B's pension scheme on 9 February 2022. Provider B sent Prudential the information it required on 2 March 2022.

On 8 March 2022 Prudential wrote to Mrs T, confirming that her plan had been transferred to Provider B and the amount paid was £77,927.01. It said the transfer had been calculated using an effective date of 3 February 2022, which was when it had everything it needed to make the transfer payment.

As there was a difference of almost £500 between the transfer value payment and the plan value provided via the online portal, Mrs T contacted Prudential, complaining about the discrepancy.

Having received no response, Mrs T chased Prudential for an update. Prudential later replied, saying the value Mrs T had seen online was her plan value, not her transfer value. It explained that a transfer value reflected any charges due, and a final bonus being added, while a plan value didn't. It said that any values provided could go up or down and weren't guaranteed.

Mrs T responded, saying there weren't any charges due on her plan and that no final bonus had been applied prior to the transfer. Because of this, she maintained that the difference in the plan value quoted, and the transfer value paid hadn't been explained, so she repeated her request for clarification. Having received no response, Mrs T chased Prudential by email and later called it when her email went unanswered. She was advised that she'd receive a response within seven working days, however, having heard nothing, Mrs T said she'd be referring the matter to our service.

Several days later, Prudential sent its final response to Mrs T's complaint. It apologised for the poor service she'd received and said it would send her a payment of £125 for distress and inconvenience caused. It advised that its servicing team would respond to Mrs T's query within ten working days.

A month passed and Mrs T still hadn't received a reply to her query, so she asked for this to be treated as a further complaint. Prudential responded, saying it had already responded, however this was later discovered to be incorrect.

Soon after this, Mrs T referred her complaint to our service. During this time, Prudential sent a further final response, acknowledging that it had taken too long to answer Mrs T's query. For this, it said it had arranged for a payment of £200 to be sent. Prudential also explained that the value of Mrs T's plan online wouldn't always be the same as her transfer value. It said there were various reasons for this, such as contributions still needing to be applied, changes to fund prices, and charges needing to be amended – these things weren't always reflected in the information shown on its portal.

Mrs T accepted Prudential's apology and compensation but said its response remained inadequate. She said there'd been no outstanding contributions, final bonuses or charges applicable to her plan prior to transfer. So, based on Prudential's explanation, this suggested the difference in her plan value and transfer value had arisen from changes to fund prices. But Mrs T said this still didn't make sense as the portal had said the plan value shown was "*the amount Prudential would pay if Mrs T claimed her investments that day*". Because of this, she said she was still seeking payment of the almost £500 difference between the amount Prudential transferred and the amount it quoted via the portal.

One of our investigators considered the matter and, in summary, concluded that:

- It had been made clear on Prudential's online portal that the plan value shown wasn't guaranteed, so it wasn't reasonable to expect Prudential to pay Mrs T the difference between it and the transfer value.
- Prudential had explained that the plan value and transfer value differed due to changes in fund prices and there was nothing to suggest this was because of any mistake it had made.
- Although no mistake had been made in the amount transferred to Provider B, she agreed that Prudential hadn't responded to Mrs T's responses in a timely manner, and she agreed that the £325 compensation it had paid in recognition of this was fair.

Mrs T disagreed, in short, saying that:

- Prudential's online portal clearly said the amount shown was what would be received if investments were cashed in that same day. Its explanation that the true plan value related to where money was invested and the price of units when they were bought and sold wasn't reflected on the portal.
- Prudential's online portal was clearly wrong and needed to be changed.

As no agreement could be reached, the matter was passed to me for a decision.

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 won't be upholding Mrs T's complaint. I'll explain why. But before I do, I should emphasise that while I've taken note of all the arguments made by both parties, I've limited my response to the issue I consider to be central to this complaint. That's to say:

- Whether Prudential sent Provider B the correct transfer value payment when Mrs T transferred her plan.

It's understandable that having decided she wanted to transfer, Mrs T wanted to know what the value of her plan was before the transfer instruction was submitted by Provider B. Prudential's online portal allowed Mrs T to access information about her plan, but under the heading, "*Important Information*", it was also made clear that the portal wasn't providing real-

time information. Specifically, Prudential said:

“Your plan value above is based on the latest unit prices where applicable. It’s the amount we’d pay if you were to claim your investments today, excluding all contributions still to be invested.

But this value is only an estimate and is not guaranteed. On the date you take your money, it may be higher or lower than what’s shown. For more detailed information, refer to investments.”

So, the plan value shown on Prudential’s portal reflected the most recent unit prices for Mrs T’s investments, but not necessarily the *final* unit prices which would apply when the proceeds of Mrs T’s plan were transferred.

Given what Prudential said on the portal, I can understand why Mrs T may, at first, have thought the plan value quoted was the amount she’d receive if she transferred that day. But Prudential immediately went on to qualify this statement, saying that the figure quoted was an estimate, not guaranteed, and which could be higher or lower than the amount shown.

Because of this I don’t think Mrs T could reasonably have read the first part of Prudential’s *“Important Information”* statement and ignored what followed. Taken in its entirety, I think Prudential was sufficiently clear about the nature of the information it was providing via the portal.

I do accept that there may be the potential for some misinterpretation of the plan value quoted on Prudential’s portal, but not to the extent that I’d be persuaded that this indicated that Prudential’s explanation which accompanies the figure quoted is ambiguous or misleading.

While I appreciate that Mrs T feels strongly that Prudential’s website is wrong and should be changed, I’m afraid I’m unable to agree. It’s not this service’s role to tell a business how to operate; that’s the role of the Financial Conduct Authority. My role is to decide if Prudential has done anything wrong and, where appropriate, provide a direction as to how it can put things right.

As I understand it, Mrs T’s plan was invested in several funds where, due to the time they took to sell, there was normally a delay – usually up to four days – in the final price coming through. Because of this, the plan value Mrs T saw on 3 February 2022 (£78,421.92) reflected the pricing for some of her investments on 31 January 2022 and not on 3 February 2022 – the effective date for the calculation of her transfer value (£77,927.01). Put another way, Mrs T’s plan value was indicative and not a guarantee of any potential cash-in or transfer value. Unfortunately, the final pricing for some of Mrs T’s investments fell between 31 January and 3 February 2022, and this is why the plan value and transfer value ultimately differed.

I understand the drop in value will have been disappointing to Mrs T, especially if she genuinely believed that the value transferred would be almost £500 higher than it was. However, while I have sympathy for Mrs T, I’m satisfied that the amount Prudential paid to Provider B as part of the transfer, was the value she was entitled to, based on the proceeds of her plan.

While I haven’t found in Mrs T’s favour, in that I don’t think Prudential should pay her the compensation she’s seeking (i.e., the difference between her plan value and transfer value), I should say that I do think it’s entirely reasonable for her to have expected Prudential to respond to her queries about her transfer value with more care than it did. And it’s

unfortunate that this didn't happen. I agree that Prudential's handling of Mrs T's queries caused her avoidable distress and inconvenience, and I'm pleased to see that Prudential recognised this, apologised and paid Mrs T a total of £325 in compensation. I consider this to be fair and reasonable bearing in mind the impact of Prudential's actions and what it could've done better. So, I won't be asking Prudential to do anything further to put things right.

My final decision

My final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 10 May 2023.

Chillel Bailey
Ombudsman