

## **The complaint**

Mr B complains that The Prudential Assurance Company Limited (Prudential) didn't backdate his fund switch request to the date of his request. He feels this led to a reduction to his pension pot of 2.01%.

## **What happened**

Mr B applied for a Prudential Retirement Account in late 2017. He signed a declaration for the application on 11 December 2017.

On 29 April 2023, Mr B wanted to transfer his pension to another provider. So he submitted a fund switch request. I understand that the switch completed on 30 May 2023.

On 31 May 2023, Mr B called Prudential to complain about how long the switch had taken. He felt that the 28 days it had taken was too long and had led to a reduction being applied to his transfer. He felt that the Terms and Conditions for his policy said that the switch would take up to 28 days, not the full 28 days.

Prudential issued a final response letter on 8 June 2023. It didn't think it'd done anything wrong. It said it would always apply a 28-day period to any fund switch requests. And that when Mr B had taken out his policy he would've been provided with clear information about when the 28-day waiting period applied. It felt that the Terms and Conditions were clear on this point.

Prudential also confirmed that the reduction had been applied correctly on 25 May 2023, as Mr B's fund switch hadn't yet taken effect.

Prudential issued a further final response letter on 5 July 2023. It still didn't think it'd done anything wrong. Prudential said that it had provided Mr B with the Terms and Conditions when he'd taken out the policy in 2017. It also said that it had worked within its Service Level Agreements (SLAs) when it had used 2 May 2023, the first day its office was open after Mr B's switch request, as the date the request should've been picked up. Therefore it felt that when applying the 28-day waiting period in line with its Terms and Conditions, Mr B's switch request should've taken effect from 30 May 2023. Prudential also noted that even if it had been able to use 29 April 2023 as the start date, Mr B's pension would still have been reduced by 2.01% as the reduction was applied on 25 May 2023.

Mr B was unhappy with Prudential's response. So he brought his complaint to this service. He wanted Prudential to reimburse him the £1,500 the reduction had cost him.

Our investigator didn't think the complaint should be upheld. He felt that the fund switch had been carried out in a reasonable timeframe. He agreed with Mr B that there was no specification of working days and non-working days in the Terms and Conditions. And said that if 29 April 2023 had been used as the process date, 28 days later was 27 May 2023. But he said that even in that scenario, the reduction would've applied on 25 May 2023.

Our investigator also felt that the evidence showed that Prudential had provided Mr B with

the Terms and Conditions in 2017.

Mr B didn't agree with our investigator. He felt that the investigator had confirmed that the switch had taken 31 days to complete, which meant that Prudential had breached the 28-days specified in the Terms and Conditions. He said this had affected when he could access his funds. And he wanted compensation for this.

As agreement couldn't be reached, the complaint has come to me for a review.

### **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'm not going to uphold it. I know this will be disappointing for Mr B. I'll explain the reasons for my decision.

I first considered Mr B's complaint that his Prudential adviser hadn't provided him with a copy of the Terms and Conditions when he first took out his pension policy.

#### *Did Prudential provide Mr B with the Terms and Conditions in 2017?*

Prudential said that its adviser would've provided Mr B with the Terms and Conditions when he met with him before he applied for the policy. It said that the adviser would've told Mr B he should read the Terms and Conditions and to contact him if he needed further information or clarification after doing so. And that when Mr B had signed the declaration form on 11 December 2017, he'd agreed to the advice he'd been given and the policy he was purchasing.

Prudential also said that Mr B would've received the Terms and Conditions alongside the letter it'd issued on 12 December 2017. It also said that Mr B's pension was an online proposition with all documentation available online.

While I can't know for certain what was discussed between Mr B and his adviser, I'm persuaded that the adviser would've provided the Terms and Conditions for the policy Mr B was about to purchase before he signed the application. I say this because I don't think that Mr B would've signed the declaration on 11 December 2017 without it.

In any event, the evidence shows that Prudential wrote to Mr B on 12 December 2017 about his application. The letter, which was sent to Mr B's correct address, stated that it enclosed the Terms and Conditions of the Retirement Account and the Key Features Document.

Overall, I'm persuaded that Prudential did provide Mr B with a copy of the Terms and Conditions of his policy, and give him the chance to discuss it with his adviser, in 2017. So I can't reasonably uphold this part of the complaint.

I next considered whether the 28-day waiting period was correctly applied.

#### *Was the 28-day waiting period correctly applied?*

Prudential felt that the Terms and Conditions were clear on when the 28-day waiting period applied. It also said that Mr B should've been provided with a document: "*PruFund Fund Guide Prudential Retirement Account (2017)*" when he first took out his policy. It said that this had clearly stated:

*"When you switch out of a PruFund there is a 28-day waiting period after we receive your instruction, then we make the sale using the unit price applicable at the end of the waiting period. There are some exceptions to this which are detailed in the Terms & Conditions. When you withdraw money from a PruFund (other than by a switch), we may apply a 28-day waiting period and use the unit price applicable at the end of the waiting period."*

Mr B felt that the Terms and Conditions stated that there may be a delay of 28 days, not that it would take 28 days for his switch.

I've reviewed the Terms and Conditions. I note that under section 10.1 they state:

*"When PruFund units are cancelled, there may be a 28-day waiting period before the cancellation takes place. This is to protect the With-Profits Sub-Fund and the interests of all With-Profits policyholders and shareholders".*

So I can see why Mr B felt there might be some circumstances where the 28-day waiting period might not apply. But under 10.2, they state:

*"The 28-day waiting period automatically applies when you switch out of PruFunds".*

I consider that this wording is clear and not misleading, as it specifies that the 28-day waiting period always applies when a customer switches out. So I'm satisfied that the 28-day waiting period specified under the Terms and Conditions was correctly applied for Mr B's fund switch.

I next considered when the 28-day waiting period should've started.

*When should the 28-day waiting period have started?*

Mr B considers that, because there's no reference to working or non-working days in the Terms and Conditions for the 28-day waiting period, it should've started when he submitted his fund switch request on 29 April 2023. This was a Saturday and therefore a non-working day. The next day that Prudential's office was open again was Tuesday 2 May 2023, given the bank holiday Monday.

Prudential said that it can't be expected to process requests immediately, so it sets SLAs. And that when it effectively picked up Mr B's request on 2 May 2023, the first day its office was open again after the request was made, it had processed the fund switch within its SLAs.

I agree with Prudential that it can't reasonably be expected to process requests immediately. And I'm satisfied that using 2 May 2023 - the first day Prudential could've picked up Mr B's fund switch request - is reasonable here. Therefore I consider that the 28-day waiting period should've started on 2 May 2023. This means that the 28-day waiting period would end on 30 May 2023. I understand that this was the date the switch completed. Therefore I can't fairly state that Prudential breached its Terms and Conditions in the time it took.

I finally considered whether the reduction was fairly applied to Mr B's policy on 25 May 2023.

*Was the reduction fair?*

Mr B complains that if Prudential had processed his switch request more quickly, he wouldn't have been faced with the 2.01% reduction.

I've again reviewed the Terms and Conditions to see what should've happened. These state:

*“4.1 We will adjust the unit price of each of the PruFunds (subject to sections 5,6 or 7) by the expected growth rate applicable to that PruFund each working day*

*4.3 We review the expected growth rate on each quarter date”*

Quarter date is defined as: *“25 February, 25 May, 25 August and 25 November or the following working day if this date is not a working day”.*

The Terms and Conditions also state the following:

*“10.4 Where a 28-day waiting period applies the unit price used is that at the end of the 28-day waiting period”.*

I’m satisfied that this clearly explains that the unit price for any fund switch would be that at the end of the 28-day waiting period.

As both our investigator and Prudential have already stated, even if Prudential could’ve picked up Mr B’s switch request immediately on 29 April 2023, it wouldn’t have reached the end of the 28-day waiting period until 27 May 2023, which was after the reduction would’ve been applied. So I can’t fairly say that the reduction was unfairly applied. Mr B simply didn’t request the switch in time to avoid the reduction.

Mr B clearly feels that our investigator felt that Prudential had actually taken 31 days to complete the switch, but that isn’t the case. I say this because, as I’ve noted earlier in my decision, Prudential reasonably started work on the fund switch request on 2 May 2023. As the switch was completed on 30 May 2023 – 28 days later – this was in line with its Terms and Conditions.

As I’ve not found any evidence that Prudential did anything wrong, I can’t fairly and reasonably uphold this complaint.

### **My final decision**

For the reasons explained above, I don’t uphold Mr B’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 26 March 2024.

Jo Occleshaw  
**Ombudsman**