

The complaint

Mr B is unhappy that The Prudential Assurance Company Limited (Prudential) hasn't provided the calculation directed in a final decision issued by this service on 16 August 2011. He's also complained about delays, including in transferring his two policies, and failures to deal with his enquiries and provide information.

What happened

I issued a provisional decision on 11 January 2024. I've repeated here what I said as to the background, our investigation and my provisional findings.

'Mr B had two pension policies with Prudential. He originally had only one policy, with Scottish Amicable, which became part of Prudential in 1997. Mr B told Prudential in October 1997 he'd be joining his employer's pension scheme but he wanted to retain his policy, which offered a guaranteed regular bonus of 4% pa. Prudential made the policy paid up as it was assumed Mr B would be joining a final salary occupational pension scheme and would be ineligible to continue to contribute to the policy. In fact his employer's scheme was a Group Personal Pension.

Mr B complained to this service. A final decision was issued on 16 August 2011. Prudential had accepted it shouldn't have been assumed that Mr B was ineligible to continue to pay into his policy. But Prudential couldn't reinstate that policy and allocate to it the contributions that had been paid to a new policy with no break. Prudential had offered to review the two policies' values when Mr B came to take benefits to see if he was worse off than if the original policy had remained in force. If he was, Prudential would make good the shortfall. And, if he was better off, his benefits wouldn't be reduced.

The ombudsman said that was fair and reasonable. He directed that, when Mr B got to take his benefits, Prudential should determine the notional value of his pension policies on the assumption that contributions would've continued to the existing policy with only increases being paid to the new policy. Contributions for the period between the stopping of contributions to the old policy and the commencement of the new policy should be treated as having been paid. In the event the value of the two policies was greater than the notional value, no redress would be payable.

*Mr B didn't accept the final decision. But the upshot was that he had two policies. The first was the original policy (number *****345) invested in Prudential's With Profits 2 Fund (for investors originally with Scottish Amicable). I've referred to that policy as the With Profits 2 policy. Policy number *****272 is the second policy, invested in Prudential's With Profits A Fund. I've referred to that policy as the With Profits A policy.*

Over the years Mr B received annual statements for his policies. They showed a combined estimated final bonus. Mr B made a complaint to the Pensions Ombudsman (PO) about that. A PO adjudicator upheld the complaint and said Prudential should provide separate statements. Mr B didn't accept the adjudicator's view. And it seems Prudential continued to provide statements which showed combined values.

Mr B made an online enquiry on 16 July 2021. Essentially he wanted to know when a Market Value Reduction (MVR) might be applied and how he could avoid that. I don't think he got any reply and he complained in August 2021.

Prudential wrote to Mr B on 25 September 2021 saying his selected retirement date (SRD) on both policies was 23 March 2022. Prudential drew Mr B's attention to what would happen on his SRD. When he'd taken out his plan he'd been told the money would automatically be moved into the Cash Fund on his SRD but Prudential was no longer doing that. So his policies would remain invested in the fund he'd chosen until he said he was ready to access his pension when it would then be moved into the Cash Fund.

Prudential issued a final response letter on 2 December 2021. Prudential upheld Mr B's complaints – not responding to his online message and complaint; sending him a survey about his recent experience with Prudential when he hadn't had one; giving him conflicting information about his policy having a waiver of premium (WOP); and failing to deal with his query about the increase to his final bonus.

Prudential also confirmed the position about the merger of the Scottish Amicable Insurance Fund (SAIF) with Prudential's With Profits Sub Fund (WPSF) on 1 April 2021. I understand that affected Mr B as his policy had originally been with Scottish Amicable. Prudential said the 2021 SAIF bonus rates included the policy enhancement in relation to surplus assets in the SAIF from 7.5% to 13.3% and that enhancement was being reviewed for the final time following the merger.

Prudential apologised for its errors and said £350 would be paid into Mr B's bank account.

As to what happened after that, I think it's helpful to set out a timeline and the issues that were raised. I haven't referred to everything but I've set out the key events and communications and when Mr B actually received them. In the main I haven't identified whether messages and letters were sent by email, post or via the secure portal.

13 January 2022: Mr B wrote requesting written confirmation that what he'd been told by the Helpdesk (on 10 January 2022) was correct. He'd queried extending his SRD and if there'd be no MVR at the new SRD; whether the 4% pa unit price increase guarantee would continue; if it was the only guarantee and if it applied to both policies. With reference to a letter he'd received from Prudential on 25 September 2021, Mr B said he was considering moving both policies into a Cash Fund on his SRD. He'd then arrange for transfers to his SIPP (self invested personal pension) with Interactive Investor. He said he'd been told Prudential wouldn't allow that and he asked for an explanation as to why. Lastly he queried what the Helpdesk had said about maturity and SRD being separate things.

14 January 2022: Prudential sent, amongst other things, current valuations and information about MVRs. The fund value for the With Profits 2 policy was £89,061.71 with a final bonus of £62,074.69 so, in total, £151,136.40. The value of the With Profits A policy was £96,356.89 plus a final bonus of £56,138.48, giving a total value of £152,495.37.

31 January 2022: Mr B wrote saying, when his plans matured in March 2022, he wanted both moved into the Cash Fund and he'd then arrange for a transfer to a new provider. He also referred to the final decision dated 16 August 2011 and the compensation he said Prudential was required to pay when he took his benefits.

10 February 2022: Prudential write to confirm that his switch request would be processed on 23 March 2022 and written confirmation would be sent to him when it had been done. Mr B didn't receive that letter until 20 July 2022.

25 February 2022: Prudential called Mr B in response to his 13 January 2022 enquiry (I think Mr B had chased several times in the interim). Prudential said Mr B could extend his SRD (for minimum of a year) with no penalties, the 4% pa unit price increase would continue to apply and an MVR couldn't be applied to the new SRD. Mr B requested written confirmation.

1 March 2022: Prudential wrote to Mr B on 1 March 2022 saying they'd stop taking pension contributions by direct debit when his plans matured on 23 March 2022. Mr B didn't receive that letter until 7 July 2022.

4 March 2022: Prudential wrote to confirm what Mr B had been told on 25 February 2022. Prudential said both policies were invested in the With Profits A Fund, which had a minimum regular bonus rate of 4% pa which would no longer be payable if the funds were switched out. The letter referred to the possibility of a MVR. The MVR was currently nil but that could change daily. A bonus rate table was enclosed. But it showed regular bonus rates for the With Profits 2 Fund. From 1 April 2003 to date a 4% pa bonus rate had been applied.

8 March 2022: Prudential wrote saying the minimum period Mr B's SRD could be deferred for was one year. Prudential asked Mr B to let them know the new SRD and said that benefits could be taken any time before the new SRD. If Prudential didn't hear by 23 March 2022, Mr B's SRD would be deferred to age 75, as per the policy terms and conditions. Mr B didn't receive the letter until 20 July 2022.

15 March 2022: Mr B wrote saying the queries he'd raised on 13 January 2022 and 26 February 2022 hadn't been answered. And Prudential had said both policies were invested in the With Profits A Fund with a minimum regular bonus rate of 4% pa. But that contradicted information he'd previously been given that only the With Profits 2 policy had a guaranteed minimum regular bonus rate of 4% pa. And the bonus rate table enclosed was for the With Profits 2 Fund. Mr B asked for confirmation that both policies had a guaranteed minimum regular bonus rate of 4% pa.

Prudential replied the same day saying the With Profits 2 Fund had a minimum regular bonus rate of 4% pa. But policies sold by Prudential – Series A – didn't.

24 March 2022: Mr B (not having received Prudential's letter of 1 March 2022) asked Prudential to cancel his monthly direct debit payments to the With Profits A policy. Prudential replied the same day saying, as they hadn't heard from Mr B before his original SRD, they'd deferred the policy to age 75 and Mr B's monthly premiums had stopped. If he wanted to continue to contribute he'd need to set up a new plan, via an adviser.

Mr B wrote to confirm a telephone conversation he'd had that day with the Helpdesk. He raised three questions: First, he'd given maturity instructions on 31 January 2022 but his online account showed that neither policy had been moved to the Cash Fund and he'd been told that could take up to five working days. Secondly he queried why his online account now showed his SRD was 75 and when he'd provided maturity instructions. He also referred to the final decision dated 16 August 2011. He said it appeared the calculation stipulated had now been carried out as the value of the With Profits A policy had increased from £153,225.98 (on the 22 March 2022) to £171,654.58 (an increase of £18,428.60). He asked for details of how the compensation figure of £18,428.60 had been calculated. The person he'd spoken to said he'd arrange to have the information sent to him.

Prudential responded, saying as Mr B hadn't told them when he intended to retire, they'd assumed it would be some time in the future and his SRD had been updated to March 2037. Mr B didn't see that letter until it was posted on his online account on 16 May 2022. He didn't receive the paper copy until 25 June 2022.

25 March 2022: Prudential wrote confirming Mr B had cancelled his direct debit.

28 March 2022: Prudential wrote saying if Mr B wanted to switch to the Cash Fund he'd need to complete and return a switch form which was enclosed. Prudential corrected that the following day, asking Mr B to ignore that and saying the requested switch had been applied and a confirmation letter sent by post.

29 March 2022: Prudential's wrote re the With Profits 2 policy saying Prudential had been asked to change the funds the plan invested in and that request had been completed. Mr B had been entitled to a final bonus of £62,586.34. The enclosed statement showed the fund value on 23 March 2022 was £89,795.70 with £152,382.04 switched to the Cash Fund. Mr B didn't receive the letter until 25 June 2022.

18 April 2022: Prudential wrote again re the With Profits 2 policy saying a transfer payment of £152,382.04 had been made to Interactive Investor. The transfer was calculated with an effective date of 5 April 2022 which was the date on which Prudential had received all of its requirements for payment.

25 April 2022: Interactive Investor emailed Mr B confirming that the transfer of the With Profits 2 policy was complete.

8 May 2022: Prudential wrote re the With Profits A policy saying Mr B's recent transfer request was being dealt with.

30 May 2022: Prudential wrote saying a transfer payment of £171,654.58 had been made to Interactive Investor. Prudential said the transfer had been calculated with an effective date of 5 April 2022 which was the date Prudential received all of its requirements for payment. A final bonus of £74,765.52 had been applied. Mr B didn't get that letter until 16 June 2022.

1 June 2022: Mr B telephoned Prudential having discovered that his online account had been disabled. Prudential said a letter had been sent to him on 30 May 2022 but the person to whom Mr B spoke couldn't tell him what the letter said.

4 June 2022: Mr B wrote to Prudential. He set out some eight queries. And he said that he expected compensation for the delay in transferring his With Profits A policy.

7 June 2022: Interactive Investor emailed Mr B, confirming that the transfer of his With Profits A policy had been completed.

9 June 2022: Mr B hadn't received by then Prudential's letter dated 30 May 2022 and wrote asking for it to be emailed to him. He also said he'd been told no one was available to answer his questions about the transfer and so he'd made an appointment for someone to call him back on 6 or 7 June 2022. But no one had contacted him or left a message. Interactive Investor had told him on 7 June 2022 the transfer of the With Profits A policy had been completed but Prudential hadn't sent any details. So he didn't know if that was correct true. Prudential sent an acknowledgement and an enquiry reference number saying they aimed to respond within 5 working days.

13 June 2022: Mr B received Prudential's letter of 30 May 2022. It appeared the increase of £18,428.60 had nothing to do with the compensation awarded by this service.

24 June 2022: Mr B received Prudential's letter of 14 January 2022.

25 June 2022: Mr B received Prudential's letter of 24 March 2022 (which he'd previously seen on his online account on 16 May 2022). And an almost identical letter dated 24 June

2022 for his With Profits 2 policy.

29 June 2022: Mr B wrote again saying he'd yet to receive a reply to his 4 June 2022 enquiry. He said within the last few days he'd received four letters from Prudential, three of which he hadn't previously seen. The letters didn't answer the queries he'd raised on 4 June 2022. For example, none categorically said a MVR hadn't been applied, perhaps by deduction from the final bonus. He'd reminded Prudential that when he took his benefits they'd agreed to compensate him for any loss suffered as a result of his original policy being closed. Prudential had yet to send him the calculation. He asked for details, including spreadsheets of the daily unit transactions for both policies so the compensation could be independently checked. He also wanted to ensure the calculations showed how much compensation was owed due to the deduction of an early termination charge of £676 detailed in Scottish Amicable's letter of 19 January 1998.

He also said he'd requested copies of the policy conditions applicable to each policy when he'd sent his maturity instructions on 31 January 2022 and when Prudential had finally completed the transfers of his plans around 7 June 2022.

7 July 2022: Mr B received Prudential's letter of 1 March 2022.

20 July 2022: Mr B received Prudential's letters of 10 February 2022 and 8 March 2022.

15 October 2022: Mr B made a further complaint to Prudential. Amongst other things, he said Prudential had disregarded the final decision dated 16 August 2011, the opinion issued by the PO adjudicator and Mr B's maturity instructions. And only the With Profits 2 policy had been transferred to the Cash Fund. Prudential had also sent information saying the only time a MVR couldn't be deducted was at the SRD and had claimed he hadn't provided maturity instructions so his SRD had been extended to March 2037 – which had made it seem a MVR could be applied if he transferred. He also said the transfer of the With Profits A policy had been delayed, presumably in the hope he'd cancel the transfer. He was unhappy the transfer had been backdated when the fund value had increased in the interim. He also referred to delays in sending letters and listed nine letters, receipt of which had been delayed by up to 161 days. And Prudential's poor service had meant he was unable to use an adviser – they didn't want him as a client as dealing with Prudential was too difficult and time consuming and they couldn't give advice as information requested wasn't forthcoming.

20 October 2022: Prudential acknowledged the complaint.

10 November 2022: Prudential wrote saying their investigation into the complaint should be completed within the next four weeks.

8 December 2022: Prudential said they'd contact Mr B again when they had an update and he could now refer his complaint to this service.

22 February 2023: Mr B made another complaint. It had been over four months since he'd complained. He'd telephoned the Helpdesk for an update. The person he spoke to was unable to provide any information or say if any further letters had been sent since 8 December 2022. He was told someone from the complaints department would call him but no timescale could be given. On the same day Mr B referred his complaint to us.

Our investigation

Mr B's complaint was investigated by one of our investigators. She wrote on 28 September 2023, summarising her understanding of Mr B's concerns. She said some matters were outside our jurisdiction and she explained why. She said we were unable to require

Prudential to carry out the calculation in the final decision issued on 16 August 2011. Nor could we help with the complaint Mr B had made to the PO. And Prudential's final response letter dated 2 December 2021 said Mr B could refer his complaint to us but he'd need to do so within six months. He hadn't done that. So we couldn't consider the complaints which had been addressed then.

The investigator upheld most of the complaints that we could look at. But, although she agreed Prudential hadn't provided information to Mr B's adviser, she said, from what she'd seen, the adviser hadn't followed that up.

To put things right for Mr B she said Prudential should provide the terms and conditions for both policies. And Prudential needed to carry out a loss assessment for the delayed transfer of the With Profits A policy. The investigator outlined how the calculation should be done. She also said Prudential should pay £700 compensation for distress and inconvenience. The investigator also set out what Prudential need to do in respect of the final decision dated 16 August 2011 – which she labelled that as 'out of jurisdiction actions outstanding'. She asked Prudential to confirm they'd carried out the calculation, shared it with Mr B and say if any compensation was paid as a result.

Prudential accepted the investigator's findings. We told Mr B that. He had some comments and queries. I've summarised his main points using similar headings.

The final decision dated 16 August 2011

- His main reason for submitting his complaint to us was to obtain assistance in enforcing the final decision. Prudential had failed to supply information to him or his adviser about the performance of his plans. Prudential hadn't provided the results of an interim calculation undertaken to see how much compensation he was due.*
- He was unhappy we'd told Prudential what information should be sent to him, instead of us requesting it and sending it to him. That had passed the problem back to him and he wouldn't have the information he needed to take the matter to court after we'd closed our file.*
- Prudential had simply disregarded many of our requests. And we hadn't even specified within what timescale Prudential had to provide the information.*
- He asked if Prudential was required to provide details of their terms and conditions and pension plan performance to us so we could investigate complaints. And if the regulator could fine Prudential until they did provide the required information.*

Pension Plan Performance and Interim Compensation Calculation

- He'd requested advice from an adviser about a letter from Prudential about the proposed merger of the SAIF and which was relevant to his original policy. His adviser was unable to get any meaningful information from Prudential about the merger or the past performance of either of his policies. She was referred to the annual statements which were of little value as the final bonuses for both policies were combined and so individual performance couldn't be determined.*
- Prudential undertook to carry out an interim calculation to see how much compensation was due as a result of the final decision dated 16 August 2011. But then failed to provide it despite multiple complaints by him/his adviser which were disregarded or upheld but the requested information was never provided.*
- Contrary to what the investigator had suggested, there'd been no failure by the adviser to follow things up. It seemed the investigator didn't uphold the complaint because she hadn't obtained copies of the relevant information. If she'd been unable to get it, she could've asked Mr B or the adviser for copies of the enquiries and*

complaints made to Prudential.

- He provided copies of some emails from his adviser to Prudential, showing his adviser had repeatedly requested performance figures (eight times between 22 April 2021 and 12 May 2021). And an email sent by the adviser to Mr B on 5 May 2021 confirming the adviser was awaiting information from Prudential. And referring to having tried unsuccessfully to contact them by phone and hanging up after 1.5 hours and sending a complaint about an interim compensation calculation.
- Mr B asked us to obtain performance figures from Prudential for both policies so it was clear which had provided the greater return since his original policy had been closed against his wishes.

Loss assessment suggested by the investigator

- Prudential said they'd transferred the first policy proceeds on 18 April 2022. Interactive Investor had said they'd got the funds on 25 April 2022, a delay of seven days. Prudential said they'd made the second payment on 30 May 2022 and Interactive Investor had got it on 7 June 2022, eight days later. Mr B queried if it was normal for transfers to take that and when he could transfer money from his bank account within a matter of minutes. Interest on £300,000 at 4% pa over 7 days was £230.
- He raised a number of queries regarding the calculation the investigator had suggested. Amongst other things he said his understanding was that Prudential should compensate him for the loss he'd suffered as a result of £171,654.58 being transferred on the 30 May 2022 rather than the 18 April 2022. The money had remained in the Interactive Investor SIPP cash fund so Prudential should pay him the lost interest from 18 April 2022 to when they completed the calculation. To avoid any possible ambiguity, exactly what interest rates Prudential should apply and over which time periods since 18 April 2022 should be specified.
- In his complaint dated 15 October 2022 he'd requested copies of the policy terms and conditions applicable between 31 January 2022 and 30 May 2022. He'd explained in his emails sent on 13 and 26 June 2022 that all the policy conditions he'd received to date showed Prudential hadn't acted in accordance with them. Either the information in Prudential's letter of 25 September 2021 was incorrect or the policy conditions Prudential had sent him were invalid. The investigator had refused to investigate that and had just said Prudential should provide the terms and conditions for both policies but she hadn't said if they had to be for the time period Mr B had specified. If Prudential continued to send historical documents, which may have been updated, they were therefore of no value.
- The investigator had said it might be helpful for Mr B to explain his reasons for needing this, now his policies had been transferred away from Prudential. But he'd already explained he needed the information so he could ensure Prudential had acted in accordance with the terms and conditions. He queried what other reason there could be.
- In his email of 13 June 2023 he'd said an adjudicator at the PO had ruled that Prudential must send him annual statements to enable the individual performance of both policies to be determined. But Prudential had disregarded that and continued to send him combined performance figures. The investigator had said we couldn't investigate that complaint and advised him to refer it back to the PO. But the PO had already refused to investigate and had told him that the adjudicator's decision (that he waited 19 months for) can't be enforced in the courts. Mr B referred to an email from an adjudication manager at the PO saying the PO didn't get involved in enforcement but in any event that was irrelevant as Mr B didn't have a determination to enforce and, due to the time since his case was closed, the complaint wouldn't be reopened to be determined now.

- *There'd been delays by Prudential in sending letters to him. He set out a chart showing the dates of some nine letters, the dates received and the delays – ranging from 6 to 161 days. He said it wasn't the inconsistency in communications and providing answers to his queries. It was the fact that information was deliberately withheld for over five months that concerned him.*

The investigator replied to Mr B's comments. She also sent a separate letter saying, as Mr B hadn't agreed with her view, an ombudsman would review the complaint and make a decision.

Mr B didn't think the method of loss calculation the investigator had set out and explained was applicable when the transferred funds had been paid into and remained in the SIPP cash account which paid a variable rate of interest. And he didn't see why the final decision issued on 16 August 2011 that he'd rejected should have any bearing on a complaint that Prudential failed to provide policy performance figures to his adviser in 2021. That wasn't related to the final decision. On 19 April 2021 his adviser had sent him a report advising transferring three of his existing pension plans to a new arrangement. He'd replied on 22 April 2022 asking them to obtain past performance figures for all three plans so he could determine how his existing plans had performed compared to the new arrangements.

There were further exchanges between Mr B and the investigator. I've read and considered all that's been said but I'm not going to set out all Mr B's further comments and the investigator's responses here.

Mr B said he'd decided to reject the investigator's view. He made some final comments and provided further information, including copies of secure messages, some of which Mr B said Prudential had withheld. Mr B said the investigator hadn't understood his complaint. He wasn't complaining about the inconsistency of communications but the fact that Prudential had deliberately tried to mislead him into cancelling the transfer of his With profits A policy. He went on to set out details of his complaint under three headings: attempted deception by Prudential; missing information; and how long should a cash transfer take.

What I've provisionally 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.

I'm only considering Mr B's complaint against Prudential. I'm not dealing here with any issues about our service. Although, in some respects, my views differ from those of the investigator and I've analysed things in more detail, the overall outcome is much the same. But I've suggested different redress in respect of the transfers to Interactive Investor. I'm issuing a provisional decision so that both Mr B and Prudential have the opportunity to comment, not just on the redress but generally and to correct anything I may have misunderstood, before any final decision is issued. I've read and considered everything. But I'm only going to refer to what I see as central. Nonetheless, my (provisional) decision here is lengthy.

I think Mr B's concerns boil down to three main issues: First, the fact that Prudential hasn't carried out the calculation specified in the final decision issued on 16 August 2011; secondly, the time taken to transfer the value of his policies to Interactive Investor; thirdly, service issues generally. In saying that, I note what Mr B's said more recently about his complaint not being about inconsistent communications but that Prudential deliberately tried to mislead him so that he wouldn't transfer his With Profits A policy on the basis a MVR might be deducted. I'll deal with that allegation first. I've considered the issues Mr B has pointed to in that context, rather than from just a service perspective and as I've done later.

Mr B points to Prudential's delays in sending him letters by post and uploading letters to his online account. And to the leaflet which accompanied some of the delayed letters, a copy of which it seems Prudential didn't supply to us. Mr B doesn't recall any similar issues in the past and since 1988. He's somewhat sceptical that it's just a coincidence that the problem arose two weeks before he sent his transfer instructions on 31 January 2022 and was resolved two weeks before the transfer was reportedly completed on 30 May 2022.

I accept that receipt of the nine letters identified by Mr B was delayed by the periods he's indicated (between 6 and 161 days with the average delay approaching 100 days). And I accept what he's said about having monitored his online account during May 2022 and that there were delays in uploading documents. But I don't agree there's anything to indicate that what happened was intentional or related just to Mr B. The leaflet refers to the late issuing of the letters being part of a wider problem which had only recently been discovered and had since been fixed. I think that means other customers were affected and the problem wasn't just confined to Mr B. The timing was unfortunate for Mr B, given that it coincided with his policies maturing and his requests to transfer and so affected him more than if his policies had simply continued as before. But I don't think that was other than a coincidence.

I don't agree that Prudential's letter of 24 March 2022 (which wasn't uploaded to Mr B's online account until mid May 2022 and he didn't get the paper copy until 25 June 2022) was an attempt to deceive him and make him cancel the transfer of his With Profits A policy. Mr B says Prudential gave him to understand that the only time a MVR couldn't be deducted was at the (original) SRD. So I can see that, if Prudential's letter said his SRD had been deferred, Mr B might've been concerned that a MVR might apply. Especially if he didn't think Prudential had responded satisfactorily to his query about how a MVR could be avoided.

But Mr B had given maturity instructions on 31 January 2022 and I don't regard Prudential's letter as other than an oversight. Or it may have been automatically generated. I don't think it evidences any attempt to make Mr B cancel the transfer of his With profits A policy. Mr B says he ignored the letter anyway. So it would appear he wasn't overly concerned by it. And, although the transfer of the With Profits A policy was delayed, I can't see that was deliberate and aimed at Mr B cancelling the transfer.

The leaflet added that the regulator had been made aware and Prudential had put new controls in place to ensure the problem didn't reoccur. I note that Mr B did write to the regulator, the Financial Conduct Authority (FCA) for confirmation. But the FCA said it couldn't confirm if Prudential had or hadn't disclosed the issue. That's in line with the regulator's usual approach – all reports will be considered (and any appropriate action taken) but an individual response won't be given.

All in all I don't think there's any evidence which points to any ulterior motive or bad faith on Prudential's part.

I've gone on to consider the complaint under the three broad categories I've indicated.

The final decision dated August 2011

As I've said, Mr B's central concern is that Prudential hasn't complied with the final decision issued on 16 August 2011 – he's said that's the main reason for his current complaint. The issue is complicated, at least in terms of our jurisdiction. We've explained that, if a final decision is accepted by the complainant, it becomes final and binding on both the business and the complainant. But if the business concerned doesn't comply then it will be up to the complainant to try to enforce the final decision. We may be able to give some limited and what's really informal assistance to try to persuade the business concerned to cooperate.

But we don't have enforcement powers as such. Our statutory responsibility is to determine complaints. And once we'd done that our role is at an end – in legal terms we are functus officio. And here Mr B didn't accept the final decision in any event.

But all that said, it seems Prudential would be prepared to undertake the calculation – as at the beginning of September 2023 Prudential was waiting for information from its actuaries. I'm not sure if there's been any progress since then. I'd ask Prudential to complete the calculation and provide details to Mr B. I say that not just because it seems Prudential is willing to do that – and notwithstanding Mr B didn't accept the 16 August 2011 final decision – but in view of what I've gone on to say below.

Mr B has put the 'Pension Plan Performance Figures and Interim Compensation Calculation' together. But I think they can be viewed separately. The former relates to a lack of performance data for his two policies and which would enable him to see how each policy has performed individually. In my view Mr B is entitled, as a policyholder, to that sort of information. I don't think the final decision issued in 2011 means that now, over ten years later and when his policies have matured, Mr B wouldn't be entitled to details as to how the two policies have performed, including the bonuses added to each policy and, in particular, if both policies have benefited from the guaranteed regular bonus of 4% pa. As well as details as to the final bonus each policy attracted. I think an investor whose policies are maturing should be entitled to that sort of information about how their policies have performed over the term of the investment.

Mr B's said he wanted that information when he was considering advice to transfer the policies (and I think a third pension plan too) to the SIPP. But I don't think Mr B's reason for wanting the information is directly relevant as, in my view, he's entitled to it anyway. And even if his main aim is in line with the final decision issued on 16 August 2011 – to see if one policy has performed better than the other and which might mean he's suffered a financial loss because his original policy was made paid up and a second policy set up.

That was the purpose of the calculation specified in the August 2011 final decision. And, as I've said, it seems, notwithstanding issues about that final decision not being enforceable (because Mr B didn't accept it), it seems Prudential is prepared to undertake the calculation anyway. That would be the easiest way forward. And that would address what I see as a central issue – whether the guaranteed minimum regular bonus rate of 4% pa applies to one or both policies and about which there's been some confusion. From what I've seen, but I could be wrong, that guarantee applied to the original With Profits 2 policy but not to the With Profits A policy. But the guarantee would come into play in ensuring Mr B hasn't been disadvantaged because the first policy was cancelled when it shouldn't have been and a second policy had to be set up.

I note what Mr B has said about the limited effectiveness of a direction that information be provided if such information isn't then forthcoming. And why he considers it would be preferable for any information to be provided to us which we can then forward to him. With that in mind and taking a pragmatic approach and in an attempt to move things on for both Mr B and Prudential, I'm going to ask that Prudential, in response to this provisional decision, provides the calculation which it seems Prudential is prepared to undertake and has been working on for some time.

I've seen that Mr B would like the calculation in an electronic format. But we wouldn't normally specify the format in which a calculation should be provided even where here, as I think is Mr B's position, the consumer has mentioned getting the calculation independently checked. So I'm not going to say that the calculation should be provided in a specific format.

I'd add that we wouldn't expect Prudential to share any commercially sensitive information. I

mention that because bonuses declared on Prudential's with profits funds are a commercial decision taken by Prudential on the advice of their actuaries and will impact on all policyholders invested in the particular fund. So information which can be shared as to how any bonus has been calculated may be limited. But that said, it seems Mr B is more concerned about the comparative performance of the policies and, in particular, whether the second policy has performed as well as the original policy would've done, had it continued uninterrupted.

If Prudential's position has changed and they are no longer prepared to provide the calculation then Prudential should say so in response to this provisional decision. I can then consider exactly what details Prudential should provide to Mr B and bearing in mind what I've said about Mr B being entitled to information as to how his policies have performed.

As mentioned, Mr B also made a complaint to the PO. I note what Mr B has said about failing to understand why we'd said he should revert to the PO when he'd already told us he'd been told the adjudicator's decision couldn't be enforced and the PO wasn't prepared to reopen the complaint. So a determination which could be enforced couldn't be issued (although the PO doesn't assist with enforcement anyway). I can understand Mr B's frustration. But essentially there isn't anything we can do in terms of any failure on Prudential's part to comply with what the PO adjudicator said or the PO's decision not to reopen Mr B's complaint. But hopefully that may not matter much anyway, if Prudential remains willing to provide a comparison calculation to Mr B and which should address his central and underlying concerns.

I'll mention here efforts made by Mr B's adviser to obtain information from Prudential about how Mr B's policies had performed. As I understand it, the adviser was initially seeking information about the merger of the SAIF and which was relevant to the performance of Mr B's original with profits plan (his With Profits 2 policy). I think the aim was to try to work out how each individual policy had performed. Despite considerable efforts by the adviser information wasn't forthcoming. I've taken that into account in considering the award for distress and inconvenience on the basis that Prudential's failure to provide requested information to Mr B's adviser, which would've then been passed on to Mr B, has added to the distress, including frustration, and inconvenience Mr B's suffered.

The transfers to Mr B's SIPP

I've considered next the transfers of the values of both policies to Mr B's SIPP. Both policies should've been switched to the Cash Fund on 23 March 2022 (or within five working days thereafter) and then transferred to Mr B's SIPP provider. Mr B is particularly concerned that the transfer of his With Profits A policy was delayed. But I've looked at the time taken to deal with both transfers.

The transfer of the With Profits 2 policy was completed first. A transfer payment of £152,382.04 was made to Interactive Investor on 18 April 2022. It seems that it wasn't received by Interactive Investor until 25 April 2022. I'm not sure (I don't think Prudential has told us despite our enquiry) how the payment was actually made – that is by cheque, BACS or electronic transfer.

The transfer value was calculated with an effective date of 5 April 2022 which was the date on which Prudential had received all of its requirements for payment. I think that's the right approach. Mr B may say that by the time the transfer was actually made the fund value was higher. But in considering if there's been any financial loss, our approach is to try to put the consumer, as far as possible, in the position they'd be in if things had gone as they should've done. And here it seems that Prudential was in a position to action the transfer on 5 April 2022. But the funds weren't actually received by Interactive Investor until 25 April 2022.

It was a cash transfer. Often when there's a transfer or switch to a new provider the assets held – the funds in which the money is invested – will have to be sold down first. But here that wasn't necessary as, in anticipation of a transfer, the maturity policy proceeds had been switched out of the With Profits 2 Fund into the Cash Fund. I think a ten working day standard for a cash transfer is in line with industry guidance (see for example the consultation published in December 2016 by the Transfers and Re-registrations Industry Group (TRIG) and which includes various trade bodies). The TRIG framework advocates, for a cash transfer, an end-to-end time of ten working days.

As I've said I think it was correct for Prudential to use the 5 April 2022 date. Prudential wasn't in a position to action the transfer until all its requirements had been met. But payment then wasn't made until some nine working days later. And the money didn't reach Interactive Investor until 25 April 2022. That's longer than ten working days. So, as things stand, and in the absence of any explanations by Prudential, I'm going to say that the transfer should've been completed by 19 April 2022.

I've taken the same approach to the transfer of Mr B's With Profits A policy and which took longer. I think there was a problem because the switch to the Cash Fund hadn't been done. Prudential wrote on 30 May 2022 saying a transfer payment of £171,654.58 had been made to Interactive Investor. Prudential said the transfer had been calculated with an effective date of 5 April 2022 which was the date Prudential received all of its requirements for payment. A final bonus of £74,765.52 had been applied. Again, I agree it's correct for Prudential to use fund values that would've applied as at 5 April 2022 when Prudential's requirements were complete and Prudential was in a position to start to action the transfer. And even if the actual fund value was higher when the transfer was implemented, But the transfer should've been completed within ten working days so again by 19 April 2022.

The destination for the money was the SIPP Cash Fund. It pays a variable rate of interest. So Mr B's fund should've been earning the appropriate rate of interest on the basis Interactive Investor had received Mr B's funds on 19 April 2022.

To put matters right Prudential will need to pay Mr B the extra interest his funds (that is, the transfer values of both policies) would've earned if they'd both been invested from 19 April 2022 until the date each was actually invested. Prudential can either ask Interactive Investor to work that out or Prudential can ask for details of the interest rate(s) for the applicable periods so that Prudential can undertake the calculation, details of which should be supplied to Mr B.

Prudential will also need to bring that loss up to date. I've suggested, to keep things easier, and rather than use the interest rates which actually applied, that interest at 8% pa be used. Although it won't always be appropriate where the loss relates to an investment or a pension, it's the rate we'd normally specify when an investor has been kept out of their money.

I've set out below further details as to exactly how redress should work. And depending on if the redress can be paid into Mr B's SIPP or not.

Service issues

Turning now to the service issues, I'm only going to consider any failings since January 2022. I say that because Prudential's final response letter of 2 December 2021 dealt with service failings in July and August 2021 and in respect of which a compensation payment of £350 was made to Mr B. So I think a line can be drawn there.

I've already referred to the delay in receipt of some nine letters. The first two letters Mr B has pointed to (dated 8 May 2022 and 30 May 2022) were delayed by 6 and 14 days respectively. That's not ideal but, if those were the only delays, I don't see too much detriment would've likely resulted.

But the delays with the other seven letters were very considerable – ranging from 93 to 161 days – which is clearly unacceptable. Delays of three months or more (and in one case over five months) will have caused stress and inconvenience, including confusion. As Prudential's leaflet noted, the dates on the letters were when the letters should've been sent and the information given was correct at that date. I think that was the right thing to do. But, where a letter had been superseded during the period of the delay by further correspondence and/or events had moved on, confusion was almost bound to result. I note what Mr B says about having received, in the space of a few days in June 2022, four letters from Prudential, three of which he hadn't previously seen.

There were other delays too. And information provided to Mr B was at times unclear, confusing, incorrect or incomplete. Mr B also says Prudential hasn't always responded promptly or at all to our enquiries. But I'm only considering Prudential's dealings with Mr B. Although that said, and as the investigator has mentioned, we'll sometimes (and as I've done here to a certain extent) have to come to our conclusions based on what we've seen.

I'm not going to set out an exhaustive list of the issues but I'll give some examples of what I consider were failings on Prudential's part in their dealings with Mr B.

- Not responding to Mr B's 13 January 2022 enquiries until 25 February 2022 when Prudential called him. And Prudential then said some of what Mr B had been told on 10 January 2022 by the Helpdesk hadn't been correct.*
- Prudential's letter of 4 March 2022 (the written confirmation Mr B had requested following the call on 25 February 2022) was inaccurate and confused. It said both policies were invested in the With Profits A Fund whereas Mr B's understanding, based on what he'd previously been told, was that the original policy was invested in the With Profits 2 Fund and the second policy in the With Profits A Fund. And the bonus rate table set out was that applicable to the With Profits 2 Fund, despite the letter saying that wasn't the fund Mr B's policies were invested in.*
- Overlooking Mr B's letter of 31 January 2022 giving maturity instructions, despite confirming safe receipt on 10 February 2022 (although Mr B didn't receive that letter until 20 July 2022) and writing to him on 8 March 2022 about his options and on 24 March 2022 saying his SRD had been deferred (although receipt of that letter was again delayed).*
- Not dealing properly with the queries Mr B raised on 24 March 2022 and which seem to have arisen because Prudential thought Mr B hadn't given maturity instructions when in fact he had. Mr B said his policies weren't showing as having been moved to the Cash Fund and, although it was explained to him that could take up to five working days, it seems there was a failure to transfer the With Profits A policy to the Cash Fund. And Mr B's SRD should've been showing as age 75, when he had provided maturity instructions.*
- Confusion about an unexplained increase to the value of the With Profits 2 policy and which Mr B thought was due to the compensation calculation having been done. I can't see that Prudential dealt with Mr B's queries about that.*
- Delay/failure to deal with the queries Mr B raised on 4 June 2022. By then Mr B's online account had been disabled, given that he'd by then transferred both policies (even if he was still awaiting confirmation from Prudential). But it's unclear why Prudential couldn't tell Mr B when he called on 1 June 2022 what the letter that had been sent on 30 May 2022 had said or confirm that the transfers had been*

completed. That would've at least avoided some of the queries Mr B raised on 4 June 2022.

- What happened on 9 June 2022 was less than satisfactory. According to Mr B no one was available to assist with his queries including emailing the letter of 30 May 2022 which he'd yet to receive. And it seems no one called him back as promised on 6 or 7 June 2022.
- Delay/failure to deal with the further queries Mr B raised on 29 June 2022 after he'd received (on 13 June 2022) Prudential's letter of 30 May 2022 and when he realised the increase in the value of the With Profits 2 policy didn't result from the final decision in August 2011 but was just the final bonus that policy had attracted. I'm not sure if Prudential replied. And even if they did it doesn't seem that the requested calculation was forthcoming. That led to Mr B making a further complaint on 15 October 2022.
- Delay/failure to deal with Mr B's further complaints.

I note Mr B also asked for copies of the terms and conditions relating to both policies applicable between 31 January 2022 and 30 May 2022. I think Mr B has been provided with policy terms and conditions but he's unsure if they are applicable for the period he's indicated. He says if they are then Prudential hasn't acted in accordance with the policy terms and conditions. As I understand it, Mr B's point is that the policy terms and conditions don't mention the MVR.

I've seen some extracts from the policy documents. But I'm not sure if I've seen complete copies for both policies. So I've asked Prudential to provide them and point out where the MVR (and which may not be termed such) is dealt with.

Compensation for distress and inconvenience

I've considered if the £700 for distress and inconvenience which the investigator suggested – and to which Prudential agreed – is fair and reasonable in the circumstances of this case. I've taken into account everything that's happened and the impact on Mr B. Overall, from what I've seen, Mr B's recent experience has been poor. His policies were coming up to maturity and issues arose which were compounded by the late receipt of a number of communications. And the transfers of the policies to a new provider weren't without problems either. So I can understand why Mr B is very dissatisfied with how Prudential has dealt with things. And against the background that, because of what happened in 2011, he's got two policies instead of just his original policy and he's unsure if he's ended up financially worse off as a result.

I accept that he's been caused frustration, stress and inconvenience and he's had to spend time trying to sort things out and get answers to his queries. The problems stretched over some months – the first six months or so of 2022. But, even after the transfers to the new provider had been completed, Mr B was still left with outstanding queries and concerns.

We say on our website that an award of over £300 and up to around £750 might be fair where the impact of the business's mistake(s) has caused considerable distress, upset or worry and/or significant inconvenience and disruption that needs a lot of extra effort to sort out and where the impact lasts over many weeks or months. I think we are in that sort of territory here and so I'd agree that £700 is fair and reasonable.'

I went on to say what Prudential needed to do to put things right.

Responses to my provisional decision

Mr B sent a detailed response. I'm not going to set out his comments here but I've read and considered all he's said in reaching my decision.

Prudential confirmed they accepted my provisional decision. Prudential also wrote to Mr B on 26 February 2024, apologising that the review Prudential had agreed to undertake when Mr B claimed against his policies hadn't been done. The matter had been referred to Prudential's actuaries who'd calculated, had Prudential not made the error in 1997, the total value of Mr B's policies would've been, as at 5 April 2022, £314,252.23. The actual total value transferred was £324,036.62, which Prudential said was some £9,774.39 more or, taking into account the £676 early termination fee, £9,098.39 more. Prudential said it would be unable to provide full details of the calculations due to commercial and sensitive information but if Mr B had any questions he should contact Prudential.

Prudential also apologised for the transfer delays and said both transfers should've been completed by Prudential by 8 April 2022. Prudential offered Mr B two options to put things right, taking into account that, as the transfer values were backdated, the values Mr B would've received were the same. Prudential could make a payment to Mr B's current provider to enhance Mr B's fund with them. Or pay a lump sum established by using a growth calculation such as this service would use – I think here Prudential meant using a benchmark such as the FTSE UK Private Investors Income Total Return Index. Prudential acknowledged that, in a number of respects, their customer service over the last few years had been poor. Prudential said it had arranged for a cheque for £1,000 to be sent to Mr B. Prudential's letter included referral rights to this service.

Mr B said there was an error in Prudential's letter of 26 February 2024 – the difference between the actual and calculated transfer values was £9,784.39 and not, as Prudential had said, £9,774.39. He also didn't think the £676 early termination fee had been properly accounted for. And the nine months break in contributions Prudential had agreed to compensate him for hadn't been mentioned. He was also unhappy with what Prudential had said about being unable to provide full details of the calculations.

Mr B also sent us a copy of his email to Prudential in response to their letter of 26 February 2024. He noted that Prudential appeared to be unaware of my provisional decision and he said, among other things, that he was waiting for me to answer questions he'd raised and issue a final decision. In his email to Prudential he raised a number of points about the figures given by Prudential. He also said the policy terms and conditions supplied weren't what I'd said in my provisional decision should be provided.

We checked things with Prudential. And we told Prudential I intended to take into account that Prudential had offered £1,000. Prudential acknowledged that and said referral rights had been included in the letter of 26 February 2024 in error.

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.

As I've said I've read and considered all Mr B has said in response to my provisional decision. But I trust he will take it as no discourtesy that I'm only going to comment here on what I see as his main points.

First, I don't agree I've misunderstood his complaints. Or that the summary above of his complaint is inaccurate. In my view, what Mr B said in his letter of complaint to Prudential on 15 October 2022 didn't properly reflect the final decision dated 16 August 2011. Here's what the ombudsman actually said:

'I direct that [Prudential] should when [Mr B] gets to take his benefits determine the notional value of his pension policies on the assumption that the contributions would have continued to the original plan with only increases being paid to the new arrangement. Contributions for the period between the stopping of contributions to the old policy and the commencement of the new policy should be treated as having been paid. In the event that the value of the existing plans is greater than the notional value determined by [Prudential] then no redress will be payable.'

Mr B's summary says the decision states that, when he takes his benefits, Prudential should pay him compensation for closing his original With Profits 2 plan. Whereas, as the final decision expressly recognises, no redress might be payable. Mr B also says his main concern is that Prudential hasn't paid him the compensation and the calculation is a secondary issue. But it's only by carrying out the calculation that what, if any, compensation he should get will be apparent. It's implicit (and my expectation would be) that Prudential would pay any compensation shown to be due.

I don't agree my summary of what happened suggests the problem was due to a trivial mistake caused by Mr B providing ambiguous information to Prudential. And, while I note the further background he's provided, I don't think it's relevant here and when, as I've made clear, I'm unable to revisit the complaint which was determined by the final decision issued on 16 August 2011. The fact that Mr B initially rejected that final decision but later (and with the involvement of this service) agreed to accept it, doesn't change anything. Once we've determined a complaint our role is at an end – in legal terms we are *functus officio* – and so any assistance we may provide will be informal.

We've already explained to Mr B what the position is regarding enforcement. If he instead wants to take court proceedings against Prudential for failing to adhere to a written undertaking in relation to the final decision dated 16 August 2011, that isn't something we'd get involved in. Nor do I think we'd view that as a new complaint. And, about the complaint Mr B made to the PO, I'm sorry I said, in my provisional decision, that Mr B hadn't accepted the adjudicator's view when, in fact, he had. But that doesn't change what I said about our inability to get involved.

In my provisional decision I considered what Mr B had said about Prudential having tried to deliberately mislead him so that he wouldn't transfer his With Profits A policy on the basis a MVR might be deducted. I said I didn't think there was any evidence which pointed to any ulterior motive or bad faith on Prudential's part. I can confirm that in reaching that conclusion I'd seen Mr B's email to the investigator dated 27 November 2023 with attachments (or rather the corrected version Mr B sent the next day). I've revisited what I said in the light of Mr B's further comments and the enquiry he made to Prudential on 24 March 2022. Mr B has also highlighted a number of failings, all of which I've taken into account, but I still don't think they translate into an attempt to mislead.

I'm sorry if what I said about the purpose of the calculation specified in the final decision dated 16 August 2011 and my observations have caused Mr B some confusion. And, in particular, my comment that the central issue in undertaking that calculation seemed to me to be if the guaranteed minimum regular bonus rate of 4% applied to one or both policies. But what I said was largely in passing. And I stopped short of trying to determine the answer, on the basis it was for Prudential (who, as the provider of the policies, would have all the relevant information) to undertake the comparison calculation as they'd agreed to do.

I had some sympathy with what Mr B had said about the limited effectiveness of a direction that information be provided if it wasn't then forthcoming. Hence I said I'd ask Prudential to

provide the information in response to my provisional decision. As I've said above, Prudential has now done the calculation and shared the outcome with Mr B.

Mr B has referred to a decision issued by a colleague on another complaint Mr B made against a different business. It's not for me to comment on that complaint and/or decision here. But I think what Mr B is saying more generally is that, where compensation is offered or awarded, it can be difficult for the consumer, if they don't think the redress calculations are correct, to get them checked. Again, to some extent, I can see his point. For some complaints we make a monetary award of a specific sum plus any interest. But, in other cases, we'll make a formulaic award. And we'll usually tell the business concerned to carry out the calculation although sometimes, if it's complex, a business will instruct a third party, such as an actuarial consultancy. If the consumer is unsure if the calculations have been undertaken correctly they can raise queries with the business. And, although we don't offer a checking service and we're not actuaries, we can take a look at any discrepancies the consumer may point out. Failing that the consumer can have the calculation checked independently but that will be at their own expense.

I note that in its letter of 26 February 2024 Prudential said the policy terms and conditions were enclosed. We asked Prudential to confirm that was the case which Prudential did. But it would seem, from Mr B's email to Prudential on 18 March 2024, he has some outstanding queries about the policy terms and conditions and, in particular, whether there's an automatic transfer to the Cash Fund on maturity. I'm sorry that in my provisional decision I misunderstood Mr B's point about the policy terms and conditions and that it wasn't the MVR he was concerned about but whether his policies should've been automatically transferred to the Cash Fund on maturity. Mr B says all the policy terms and conditions he's managed to obtain don't show any change, so there'd be an automatic transfer, which is contrary to what Prudential told Mr B in their letter of 25 September 2021.

But I'm not sure much really turns on this, given Mr B instructed Prudential anyway on 31 January 2022 that, when his plans matured in March 2022, he wanted both moved into the Cash Fund. If the applicable policy terms and conditions provided for that anyway, that'd be another example of Prudential providing incorrect information in their letter of 25 September 2021. But, even if that was the case, I don't see that would make a material difference to the overall outcome of Mr B's complaint, which includes the poor customer service he's encountered. So I don't think much would be gained by pursuing this aspect of the matter further here.

Generally I'd expect any update to the policy terms and conditions to be notified to the policyholder. But, if that didn't happen, that wouldn't mean that the policyholder wouldn't be bound by the updated version – the policy terms and conditions will generally provide for amendments to be made.

I said in my provisional decision that Prudential was prepared to undertake the calculation referred to in the final decision dated 16 August 2011. Mr B said his experience was such that he doubted Prudential would provide anything or any figures given would be invalid. As I've said, Prudential has now completed the calculation and shared the outcome with Mr B which is that he hasn't suffered any financial loss and he's in fact gained financially. I've referred to the calculation further below.

Mr B says what my provisional decision recorded about how he specified compensation should be calculated was wrong. I agree that what I said reflected Mr B's understanding of what the investigator had suggested. I apologise for any confusion. But, in any event, I went on to set out how I thought Prudential should compensate Mr B. I said Mr B's SIPP provider should've received the transferred funds earlier – on 19 April 2022 – and so they'd have

been earning interest from then until actually received (on 25 April 2022 and 7 June 2022). I also said interest at 8% pa should be added to the loss figure.

Mr B has pointed out that, as the amounts transferred went into the SIPP Cash Fund and the SIPP provider didn't start to pay interest on cash balances until 1 July 2022, Prudential wouldn't have to pay him any compensation for the delay in processing the transfers on the basis I'd set out. He went on to explain why he considered compensation should be paid anyway, irrespective of whether the investor can prove they've suffered a loss. Mr B also referred to what we say on our website about asking a business to pay interest at 8% pa simple for the time the consumer didn't have their money.

Although I can understand Mr B's position, we don't have power to fine or otherwise punish businesses when things go wrong. I can't make an award for financial loss unless I'm satisfied that such loss has been suffered as a result of something the business did wrong or didn't do. Where we make a formulaic award in respect of financial loss, when the redress calculation is done, the outcome might be that there's been no financial loss. In that case, no redress for financial loss will be payable.

Sometimes, and as we explain on our website, where there's been a delay and a consumer has been kept out of their money, we'll say the business should pay interest at 8% pa for the period of the delay. But it will depend on the circumstances of the case. Here Mr B was expecting to receive payments which were delayed. But the payments weren't being made to him personally but into his SIPP. So the situation wasn't one where he was being kept out of money which he would've otherwise had available to spend or invest.

In my provisional decision I made an award for financial loss which I considered to be fair and reasonable in the circumstances of Mr B's case and on the basis he'd lost out on interest that would've been paid on the transfer values paid into his SIPP fund. I said it should be on the basis that the transfers were completed by 19 April 2022. Prudential has said an earlier date – 5 April 2022 – should've applied. But, even taking that earlier date into account, the transfer values wouldn't have attracted interest. So I'm now not going to make any award for financial loss suffered in consequence of the transfers being delayed and given that the fund values were backdated to 5 April 2022.

In saying that I've taken into account what Mr B says about being unable to obtain financial advice as to how to invest the money. But, looking at the email from the firm Mr B was planning to instruct, it doesn't seem that firm's inability to act was anything to do with Prudential. The firm's backlog of work for existing clients and the personal circumstances of its two advisers meant the ability to take on Mr B as a client had been reassessed. It was also unfortunate that another firm was unable to act. But no reason was given and I can't fairly say that was anything to do with Prudential. Finding a new adviser can take time and Mr B may also have been seeking a firm whose charges were on a fixed fee basis, rather than a percentage of the fund value, which might've narrowed down his choices.

Mr B raised some queries in his email of 1 February 2024 to us. Given what I've said above about no compensation being payable for financial loss (as there was none) in the main the issues Mr B has raised fall away. I confirm the compensation payment for stress and inconvenience will be paid in full and direct to Mr B. I suggested £700 in my provisional decision but I see that Prudential is prepared to pay £1,000 so I'm happy to endorse that figure. Prudential has apologised for any confusion caused by the letter dated 26 February 2024 and, in particular, the inclusion of referral rights to this service.

As I've said, Prudential has now been able to carry out the comparison calculation. It shows Mr B hasn't suffered any financial loss because his original With Profits 2 policy was made paid up in error. In fact, it seems he's significantly better off. I can understand, given the

issues that have arisen with Prudential, Mr B may be less than confident that the calculation has been done correctly. And what appears to be an arithmetical error in the figures (saying Mr B's gain was £9,774.39 when it seems it was £9,784.39) won't have helped. Mr B also has queries about how the early termination charge of £676 has been accounted for and whether the nine months break in contributions has been taken into account. There's also what Prudential has said about some information potentially not being available as it's commercially sensitive. But it's unclear exactly what that might be. While some details, such as how bonus rates have been decided upon, may be regarded as commercially sensitive, much of the information a policyholder may want will be a matter of record, such as contributions made, bonus rates applied and bonuses added.

Prudential invited Mr B, if he had any questions, to raise them and, as mentioned above, he's done that. Hopefully he'll view getting the calculation done – his main driver in bringing the complaint – as a step in the right direction. As he's aware, there may be limitations in terms of our jurisdiction in looking into a redress calculation. In any event, as he accepts, we're not actuaries and we're unable to check things in the level of detail he clearly requires and he's indicated he may instruct his own expert to check Prudential's figures. To that end, Mr B can ask Prudential to provide further details, such as applicable bonus rates and amounts. Prudential may have removed performance figures for the With Profits funds from its website. But that doesn't mean information about historical bonus rates is no longer available or verifiable and there should be contemporaneous evidence to support the rates quoted. As to the transaction summaries, I maintain what I said in my provisional decision – that the format of information that's provided is up to Prudential.

To sum up, I haven't been persuaded to change the views I expressed in my provisional decision. I've set those out in full above and they form part of this decision. I realise Mr B is unlikely to accept what I've said and may regard my decision as unsatisfactory in a number of respects. But I think it's in both parties' interests to try to bring this matter to a conclusion as soon as possible, hence I've taken a somewhat pragmatic and practical approach.

As to what Prudential needs to do to put things right, I think that just leaves compensation for distress and inconvenience. I said £700 in my provisional decision but Prudential has offered £1,000 which, as I've said, I'm happy to endorse.

My final decision

I uphold the complaint. The Prudential Assurance Company Limited must pay Mr B £1,000 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 April 2024.

Lesley Stead
Ombudsman