

## The complaint

Mr and Mrs T complain that The Prudential Assurance Company Limited (“Prudential”) didn’t act on their instructions to make a partial withdrawal from their investment plan. They say they needed the money for their son to buy a house and were forced to withdraw money from elsewhere which has caused them a financial loss.

## What happened

Mr and Mrs T sent Prudential an instruction form to withdraw £40,000 from their plan on 12 June 2023. They’d already phoned Prudential to ask about timescales and were told the withdrawal would take 10 to 14 days.

In summary, Prudential didn’t respond within the expected timescale and Mr and Mrs T spent time contacting it by phone, online chat, and email to try to find out what was going on. On 24 July, Mrs T told Prudential not to bother with the withdrawal. She said, because the money hadn’t been received as expected, her son had lost the house he wanted to buy.

When they complained Mr and Mrs T said their son had bought the house, but they’d had to drain their ISA’s and a bank account. On 22 September 2023 they gave instructions to withdraw their entire investment. This was paid to their account within the expected timescale.

Prudential apologised. It initially paid Mr and Mrs T £150 for the distress and inconvenience they’d been caused. But, when Mr and Mrs T raised a further complaint, it reconsidered everything. It said it had experienced unexpectedly high volumes which impacted its level of service. It agreed it was unacceptable that Mr and Mrs T’s partial withdrawal request hadn’t been actioned within its usual timescales and that Mr and Mrs T received such poor service when they tried to contact Prudential. In addition to the £150 already paid, it said it had paid Mr and Mrs T:

- £1,288.77 plus interest of £4.91. Prudential said this represented the loss of growth on the £40,000 from the time the withdrawal should have been made to the time it was made (as part of the full encashment).
- £250 as an apology for the distress and inconvenience caused.

It said it would consider any financial loss Mr and Mrs T had made as a result of having to withdraw money from their bank account and ISA’s, on receipt of evidence from Mr and Mrs T.

Our investigator thought it was fair that Prudential should pay an additional £250 for the distress and inconvenience caused, taking into account the withdrawal was required for their son’s house purchase. The investigator also said he would consider compensation for any loss of interest, or other financial expenses, if Mr and Mrs T provided evidence.

Prudential agreed to pay the additional amount recommended.

Mr and Mrs T didn't agree but didn't provide any additional information or evidence.

### **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 find I have come to the same conclusion as the investigator for the following reasons:

Prudential didn't act on Mr and Mrs T's partial withdrawal instructions within its usual timescales and within the timescale Mr and Mrs T reasonably expected. I'm satisfied that Prudential accepts this and has apologised.

If Prudential hadn't caused a delay, the £40,000 would have been withdrawn earlier than it was. And, as the value of that £40,000 had decreased by the time it was withdrawn, it's fair that they are paid the difference. Prudential said the value had decreased by £1,288.77. And this is the amount it paid Mr and Mrs T, plus interest. But it's recently told us that used the wrong date to calculate the difference in value. Rather than using the date the withdrawal should have taken place – 29 June 2023, it used the date Mr and Mrs T first contacted it – 10 May 2023. It's recalculated the difference in value using the correct date and the loss is £683.20. Prudential therefore paid Mr and Mrs T more than it should have done. But it's told us it won't be seeking to re-claim the over-payment from Mr and Mrs T. I'm satisfied that Prudential has ensured Mr and Mrs T have not lost out financially because of the delay in it acting on their partial withdrawal instructions. And they have in fact benefitted from Prudential using the wrong date for its loss calculation.

It's clear the failure to send Mr and Mrs T the £40,000 they'd requested, and the poor service they received when they contacted Prudential, and tried to contact Prudential, caused Mr and Mrs T distress and inconvenience. I'm satisfied they'd made it very clear to Prudential that they needed the money to help their son buy a house. They were clearly worried the house purchase would fall through because of Prudential's error and they had to withdraw money from their bank account and ISA accounts to ensure it went ahead. Prudential has already paid Mr and Mrs T £400 for the distress and inconvenience caused. And it's agreed to our investigator's recommendation to pay an additional £250. I consider this to be fair and reasonable in the circumstances.

Mr and Mrs T have been invited by Prudential, and by ourselves, to provide evidence of any financial losses caused as a result of them needing to withdraw money from their bank account and ISAs. There may have been some difficulty in Mr and Mrs T obtaining this evidence but, in its absence, I can't reasonably order Prudential to provide any further compensation. As noted above, due to Prudential's error, they've been over-paid the financial loss caused by the failure to make the partial withdrawal, so I think, in all likelihood, this will cover any expenses they incurred.

### **My final decision**

My final decision is that The Prudential Assurance Company Limited should pay Mr and Mrs T £250, in addition to the compensation it's already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 13 November 2024.

Elizabeth Dawes

**Ombudsman**