DRN-4898115

The complaint

Miss L has complained, with the help of a professional representative, about a transfer of her The Prudential Assurance Company Limited ('Prudential') personal pension to a small self-administered scheme (SSAS) in September 2016. Miss L's SSAS was subsequently used to invest in an overseas property investment with The Resort Group (TRG.) The investments now appear to have little or no value. Miss L says she has lost out financially as a result.

Miss L says Prudential failed in its responsibilities when dealing with the transfer request. She says that it should have done more to warn her of the potential dangers of transferring, and undertaken greater due diligence on the transfer. Miss L says she wouldn't have transferred, and therefore wouldn't have put her pension savings at risk, if Prudential had acted as it should have done.

What happened

On 6 May 2015, Miss L signed a letter of authority allowing a business called Capital Facts Limited (CFL) to obtain details, and transfer documents, in relation to her pension. She says this followed an unsolicited approach. Miss L, who was 40 at the time, says she then met with someone at her home and they advised her to transfer her pension to a SSAS and invest in an overseas commercial property investment with TRG. In her complaint submission she said it was a representative of CFL who advised her. CFL was not authorised or regulated by the Financial Conduct Authority (FCA). I'll come back to this particular point later on. In any event, Miss L says she was told it would make lots of money, so she agreed to go ahead.

On 6 August 2015, a company was incorporated with Miss L as director. I'll refer to this company as B Limited. On 26 August 2015, a SSAS was established and then registered with HMRC on 29 August 2015. B Ltd was recorded as the SSAS's principal employer and Cantwell Grove Limited (CGL) was recorded as the administrator. CGL was not subject to FCA regulation.

On 20 October 2014, Prudential received documents from CGL to allow Miss L's pension to be transferred to the SSAS. CGL enclosed the completed application for the transfer and a copy of the HMRC registration confirmation. Also enclosed with the transfer request paperwork was a letter signed by Miss L. This letter said she was aware there had been a rise in cases of pension liberation fraud and she was aware of the issues relating to this. The letter said Miss L wanted to confirm she was requesting a transfer to take advantage of investment opportunities, none of which were connected with pension liberation. And it said she was not looking to access her pension before age 55 – the trust deed of the SSAS would not permit this – and she had not been offered a cash or other incentive to transfer.

On 3 November 2015, Prudential wrote to Miss L following receipt of her transfer paperwork and it asked her to complete a claim form and arrange for CGL to sign a declaration. Prudential received the completed forms in January 2016.

On 22 January 2016, Prudential wrote to CGL. It said that to satisfy its due diligence on Miss L's transfer, it needed a copy of the HMRC registration certificate, a copy of the trust deed, the scheme rules, confirmation that the policyholder was an employee of the employer establishing the scheme, and details of the investment providers.

CGL replied on 1 February 2016. It provided the requested information. It said Miss L was the sole director of B Limited and said the investments under consideration were a commercial property investment with TRG and a general investment account provided by a mainstream investment provider managed by Astute Financial Management UK Limited.

On 15 February 2016, Prudential wrote to HMRC to request confirmation that B Limited SSAS was still registered. HMRC replied on 18 February 2016 to confirm that it was.

The same day Prudential also wrote to Miss L. It said that in relation to her proposed transfer it wanted her to answer a series of questions, in writing. It said that she was aware of the reasons why it was seeking the information from The Pensions Regulator (TPR) leaflet she'd already been sent. Prudential asked Miss L the following:

- Given CGL wasn't regulated by the FCA, who had originally contacted her and who had introduced her to CGL?

- Who suggested she register B Limited and establish the scheme, did she receive advice to do so and if so, from whom?

- What was the nature of B Limited, if it was trading or whether it was dormant, whether she was being remunerated by the company and if dormant whether it was ever intended to trade?

- If she'd received any separate advice from a FCA authorised firm and if so by whom?

- If she could provide copies of any literature she was given about how to establish a SSAS.

- Was her Prudential pension the only one being transferred to the scheme?

- Details of her employment and whether she was employed or self-employed?

On 16 March 2016, Miss L replied to Prudential with the following answers to its questions:

- She'd received a call from First Review Pension Services (FRPS) offering a pension review. After consultation, she decided to establish a SSAS and was introduced to CGL by FRPS.

- She wished to take advantage of the flexibilities of a SSAS not present with other types of pension, so she used her own company to establish and sponsor the SSAS. She had not received any financial advice to establish the SSAS.

- B Limited was a dormant company and as the sole director she had chosen not to remunerate herself.

- She repeated that she had not received any financial advice and so no advice fees applied. The SSAS administration fees would be settled directly from the pension fund.

- She had to date not received any other advice from a FCA regulated firm, but upon receipt of the fund into her SSAS she was considering making an investment in a mainstream provider platform managed by Astute Financial Management UK Ltd – a FCA regulated firm.

- She provided a copy of a SSAS guide provided by FRPS prior to her decision to establish a SSAS.

- Her Prudential pension was the only policy being transferred.

- She did not wish to divulge details of her other employment as it wasn't relevant to the transfer.

On 19 April 2016, Prudential wrote to Miss L acknowledging receipt of her answers to its due diligence questions. It said that to satisfy its requirements, it needed the name and address of her employer unconnected to B Limited and copies of her last three payslips.

On 16 June 2016, Prudential wrote to Miss L. It said that it was necessary for it to take certain steps to fulfil its regulatory obligations, which included having regard to guidance from both TPR and the FCA in relation to potential pension scams and pension liberation. In a heading titled 'Potential pension scam' the letter said that it hadn't completed Miss L's transfer request in light of its obligations. It referred to recently published decisions from The Pensions Ombudsman which it said provided helpful guidance about the steps firms are required to take where they have grounds for suspicion that a pension scam or pension liberation was taking place. It said that in line with those decisions, it was prepared to make the transfer Miss L requested in accordance with her right to do so.

The letter then set out concerns Prudential had with Miss L's transfer – headed 'Reasons for our concern.' It said that it continued to have concerns about some of the circumstances of her transfer, which included she was under 55 years old, she'd established her own company to set up a SSAS and that she was investing in an unregulated overseas investment. It referred Miss L to a 'Pension Scam Alert' published on 26 October 2015 by the National Fraud Intelligence Bureau and available at Action Fraud's website, which it said referred to cold calls to customers to transfer their pension, and specifically alternative investments such as a hotel development in Cape Verde.

The letter said that, if Miss L still wanted to proceed, it would comply with her instruction after a 90-day 'colling off' period. It said that during this time, she should consider the risks of transferring and whether it was right for her. It said it strongly recommended she seek independent FCA regulated advice. It then set out the consequences of Miss L dealing with someone who wasn't regulated, including losing regulatory protections, tax charges and losing her pension. It referred to where Miss L could find a regulated adviser in her area by visiting its website. The letter referred to enclosing TPR's pension scams booklet.

On 8 July 2016, Miss L returned her signed declaration confirming she wanted to go ahead. The declaration asked her to confirm that she acknowledged Prudential's concerns that the transfer could involve a pension scam and she'd read TPR's booklet on pension scams. She also ticked 'No' to the question 'I have sought advice in relation to my transfer.'

On 27 September 2016, Prudential transferred Miss L's pension benefits – an amount of just under £16,300 – to her SSAS. I understand an investment in TRG was then made.
This investment has since failed and as such has no value.

In September 2022, Miss L complained to Prudential. Briefly, she said it shouldn't have allowed an unregulated firm to advise her; it should've ensured she understood the advice; it didn't make contact with her to ensure she understood the magnitude of the transfer; and it should've told her if there was anything untoward with the receiving scheme or her adviser.

Prudential didn't uphold the complaint. In summary it said it had conducted an appropriate level of due diligence given the requirements of the time, it had highlighted its concerns and Miss L had a legal right to transfer.

Miss L then referred her complaint to the Financial Ombudsman Service. Our Investigator didn't uphold the complaint and was unable to resolve the dispute informally. So, the matter was passed to me to make a final 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.

I've taken into account relevant law and regulations, regulatory rules, guidance and standards, codes of practice, and (where appropriate) what I consider to have been good industry practice at the relevant time. Where the evidence is incomplete or inconclusive (as some of it is here) I've reached my decision based on the balance of probabilities – in other words, on what I think is more likely than not to have happened, given the available evidence and wider circumstances.

<u>The relevant rules and guidance</u>

Personal pension providers are regulated by the FCA. Prior to that they were regulated by the FCA's predecessor, the Financial Services Authority (FSA). As such Prudential was subject to the FSA/FCA Handbook, and under that to the Principles for Businesses (PRIN) and to the Conduct of Business Sourcebook (COBS). There have never been any specific FSA/FCA rules governing how personal pension providers deal with pension transfer requests, but the following have particular relevance here:

- Principle 2 – A firm must conduct its business with due skill, care and diligence;

- Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly;

- Principle 7 – A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading; and

- COBS 2.1.1R (the client's best interests rule), which states that a firm must act honestly, fairly and professionally in accordance with the best interests of its client.

In February 2013, The Pensions Regulator (TPR) issued its Scorpion guidance to help tackle the increasing problem of pension liberation, the process by which unauthorised payments are made from a pension (such as accessing a pension below minimum retirement age). In brief, the guidance provided a due diligence framework for ceding schemes dealing with pension transfer requests and some consumer-facing warning materials designed to allow members decide for themselves the risks they were running when considering a transfer.

The Scorpion guidance was described as a cross-government initiative by Action Fraud, The City of London Police, HMRC, the Pensions Advisory Service (TPAS), TPR, the SFO, and the FSA/FCA, all of which endorsed the guidance, allowing their names and logos to appear in Scorpion materials.

The FSA's endorsement of the Scorpion guidance was relatively informal: it didn't take the form of Handbook Guidance, because it was not issued under s.139A of the Financial

Services and Markets Act (FSMA), which enabled the FSA to issue guidance provided it underwent a consultation process first. Nor did it constitute "confirmed industry guidance", as can be seen by consulting the list of all such FSA/FCA guidance on its website. So the content of the Scorpion guidance was essentially informational and advisory in nature. Deviating from it doesn't therefore mean a firm has necessarily broken the Principles or COBS rules. Firms were able to take a proportionate approach to transfer requests, balancing consumer protection with the need to also execute a transfer promptly and in line with a member's right to transfer.

That said, the launch of the Scorpion guidance in 2013 was an important moment in so far it provided, for the first time, guidance for personal pension providers dealing with transfer requests – guidance that prompted providers to take a more active role in assessing those requests. The guidance was launched in response to widespread abuses that were causing pension scheme members to suffer significant losses. And the guidance's specific purpose was to inform and help ceding firms when they dealt with transfer requests in order to prevent these abuses and save their customers from falling victim to them.

In those circumstances, I consider firms which received pension transfer requests needed to pay regard to the contents of the Scorpion guidance as a matter of good industry practice. It means February 2013 marks an inflection point in terms of what was expected of personal pension providers dealing with transfer requests as a matter of fulfilling their duties under the regulator's Principles and COBS 2.1.1R.

The Scorpion guidance was updated in July 2014. It widened the focus from pension liberation specifically, to pension scams more generally – which included situations where someone transferred in order to benefit from "too good to be true" investment opportunities such as overseas property developments. An example of this was given in one of the action pack's case studies.

In a similar vein, in April 2014 the FCA had also started to voice concerns about the different types of pension arrangements that were being used to facilitate pensions scams. In an announcement to consumers entitled "Protect Your Pension Pot" the increase in the use of SIPPs and SSASs in pensions scams was highlighted, as was an increase in the use of unregulated and/or illiquid investments. The FCA further published its own factsheet for consumers in late August 2014. It highlighted the announcement to insurers and advisers in a regulatory round-up published on its website in September 2014.

There was a further update to the Scorpion guidance in March 2015. This guidance referenced the potential dangers posed by "pension freedoms" (which was about to give people greater flexibility in relation to taking pension benefits) and explained that pension scams were evolving. In particular, it highlighted that single member occupational schemes were being used by scammers. At the same time, a broader piece of guidance was initiated by an industry working group covering both TPR and FCA regulated firms: the Pension Scams Industry Group (PSIG) Code of Good Practice. The intention of the PSIG Code was to help firms achieve the aims of the Scorpion campaign in a streamlined way which balanced the need to process transfers promptly with the need to identify those customers at material risk of scams.

The Scorpion guidance for businesses was updated again in March 2016, with the Scorpion insert being updated in June 2016. This said business should direct members to the government's Pension Wise website and reiterated the recommendation for businesses to use TPR's checklist and carry out due diligence on all transfer requests.

And it said business should communicate any suspicions to consumers, record these and direct consumers to TPAS.

The March 2015 Scorpion guidance

The March 2015 update to the Scorpion guidance asked schemes to ensure they provided their members with “regular, clear” information on how to spot a scam. It recommended giving members that information in annual pension statements and whenever they requested a transfer pack. It said to include the pensions scam “leaflet” in member communications.

In the absence of more explicit direction, I take the view that the member-facing Scorpion warning materials (which had been refreshed in 2016) were to be used in much the same way as previously, which is for the shorter insert to be sent when someone requested a transfer pack and the longer version (which had also been refreshed) made available when members sought further information on the subject.

When a transfer request was made, transferring schemes were also asked to use a three-part checklist to find out more about a receiving scheme and why their member was looking to transfer.

The PSIG Code of Good Practice

The PSIG Code was voluntary. But, in its own words, it set a standard for dealing with transfer requests from UK registered pension schemes. It was “welcomed” by the FCA and the Association of British Insurers (amongst others). And several FCA regulated pension providers were part of the PSIG and co-authored the Code. So much of the observations I’ve made about the status of the Scorpion guidance would, by extension, apply to the PSIG Code. In other words, personal pension providers didn’t necessarily have to follow it in its entirety in every transfer request and failure to do so wouldn’t necessarily be a breach of the regulator’s Principles or COBS. Nevertheless, the Code sets an additional benchmark of good industry practice in addition to the Scorpion guidance.

In brief, the PSIG Code asked schemes to send the Scorpion “materials” in transfer packs and statements, and make them available on websites where applicable. The PSIG Code goes on to say those materials should be sent to scheme members directly, rather than just to their advisers.

Like the Scorpion guidance, the PSIG Code also outlined a due diligence process for ceding schemes to follow. However, whilst there is considerable overlap between the Scorpion guidance and the PSIG Code, there are several differences worth highlighting here, such as:

- The PSIG Code includes an observation that: “*A strong first signal of [a scam] would be a letter of authority requesting a company not authorised by FCA to obtain the required pension information; e.g. a transfer value, etc*.” This is a departure from the Scorpion guidance (including the 2015 guidance) which was silent on whether anything could be read into the entity seeking information on a person’s pension.

- The Code makes explicit reference to the need for scheme administrators to keep up to date with the latest pension scams and to use that knowledge to inform due diligence processes. Attention is drawn to FCA alerts in this area. (I noted the contents of some of those alerts earlier in my decision.)

- Under the PSIG Code, an ‘initial analysis’ stage allows transferring schemes to fast-track a transfer request without the need for further detailed due diligence, providing certain conditions are met. No such triage process exists in the 2015 Scorpion guidance

– following the three-part due diligence checklist was expected whenever a transfer was requested.

- The PSIG Code splits its later due diligence process by receiving scheme type: larger occupational pension schemes, SIPPs, SSASs and QROPS. The 2015 Scorpion guidance doesn't distinguish between receiving scheme in this way – there's just the one due diligence checklist which is largely (apart from a few questions) the same whatever the destination scheme.

TPR began referring to the Code as soon as it was published, in the March 2015 version of the Scorpion action pack. Likewise, the PSIG Code referenced the Scorpion guidance and indicated staff dealing with scheme members needed to be aware of the Scorpion materials.

Therefore, in order to act in the consumer's best interest and to play an active part in trying to protect customers from scams, I think it's fair and reasonable to expect ceding schemes to have paid due regard to both the Scorpion guidance and the PSIG Code when processing transfer requests. Where one differed from the other, they needed to consider carefully how to assess a transfer request taking into account the interests of the transferring member. Typically, I'd consider the Code to have been a reasonable starting point for most ceding schemes because it provided more detailed guidance on how to go about further due diligence, including steps to potentially fast-track some transfers which – where appropriate – would be in the interest of both parties.

The considerations of regulated firms didn't start and end with the Scorpion guidance and the PSIG Code. If a personal pension provider had good reason to think the transferring member was being scammed – even if the suspected scam didn't involve anything specifically referred to in either the Scorpion guidance or the Code – then its general duties to its customer as an authorised financial services provider would come into play and it would have needed to act. Ignoring clear signs of a scam, if they came to a firm's attention, or should have done so, would almost certainly breach the regulator's principles and COBS 2.1.1R.

<u>The circumstances surrounding the transfer: what does the evidence suggest happened?</u>

Miss L says that she received an unsolicited phone call offering her a free pension review. Miss L signed an authority with CFL who were not regulated by the FCA, to allow them to approach Prudential for information about her pension. In her complaint submission, Miss L said it was also this business that she met with and advised her to transfer her pension to a SSAS and invest in TRG.

In a phone call with our Investigator, Miss L couldn't recall who she spoke to. But in response to Prudential's questions at the time of the transfer asking about how things came about, she said it was a company called FRPS who called her and with whom she consulted. FRPS was also unregulated.

On balance, I think given Miss L signed a letter of authority with CFL, it's likely it was this business who initially called her. In any event, the contact appears to have been unsolicited.

Miss L then appears to have met with FRPS. And from what Miss L said to our Investigator about being told by the adviser that that she would make lots of money by transferring – she'd have about £80,000 at retirement – in my view, is consistent with her being advised. I can see Miss L has said she had no experience of pensions or investments. And I've seen nothing which leads me to think otherwise. It also doesn't appear that Miss L had the requisite knowledge skill or experience to carry out what is a complicated arrangement without advice and input from someone else. So, on the one hand the evidence points to

Miss L being advised to transfer her pension and invest elsewhere, and likely from FRPS who were unregulated.

However, when Prudential asked Miss L to explain who she had spoken to and whether she had received advice, she said that she had not received any advice to establish the SSAS or in relation to the transfer. She said that after consultation, she had decided to establish a SSAS. And while she did refer to the involvement of a regulated firm, she said this was in relation to a proposed investment once the funds were transferred. I'll discuss this further below.

<u>What did Prudential do and was it enough?</u>

The Scorpion insert:

For the reasons given above, my view is that personal pension providers should, as a matter of course, have sent transferring members the Scorpion insert or given them substantially the same information.

Prudential's letter to Miss L of 15 February 2016, referred to the Scorpion leaflet it had already sent her. It's not clear from the available evidence when Prudential sent this to her. But its later letter of June 2016 specifically referred to the insert and it was listed as one of the enclosures. Prudential's business file indicates this was the longer (March 2016 updated) version of the leaflet. It's not clear from the letter whether it was the longer version. But given this was intended to be used during ongoing communication with a member and Prudential had previously referred to sending the insert, on balance I think it's likely to have been this version.

Either way, Miss L's representative has said that she did receive a copy of the Scorpion leaflet. So, in light of the evidence, I'm satisfied Prudential met its requirements here.

Due diligence:

As explained above, I consider the PSIG Code to have been a reasonable starting point for most ceding schemes. I've therefore considered Miss L's transfer in that light. But for the avoidance of doubt, I don't think it would make a difference to the outcome of the complaint if I had considered Prudential's actions using the 2015 Scorpion guidance as a benchmark instead.

I've firstly looked at what due diligence Prudential carried out in this case to consider whether it was sufficient.

Upon receipt of the transfer request, as I referred to earlier on, Prudential wrote to HMRC to check the scheme's registration. It also wrote to CGL to ask for more information including a copy of the trust deed, the scheme rules and who the investment providers were. Prudential would've understood from this that Miss L was intending to invest in an overseas property investment as well as an investment managed by Astute Financial Management. I'd add here that I don't think Prudential could take any comfort from the apparent involvement of Astute Financial Management in the process.

In my view its claimed role appears to have been limited with no suggestion it was involved in the advice to transfer itself. And it would appear that Prudential didn't interpret its apparent involvement differently because of the questions it then went on to ask Miss L.

Prudential wrote to Miss L directly asking her a series of questions to understand the background to the transfer – how it came about, who initially contacted her and crucially whether she had received any advice to establish the SSAS or received any other regulated advice. It also asked her for copies of any marketing material she had been given in relation to establishing the SSAS. I also think Prudential made the purpose of its request clear.

In my view the questions Prudential asked were unambiguous and were relevant to understand how things had come about. I think they broadly followed the suggested questions in the guidance at the time to determine whether a scam risk was present before proceeding with the transfer. I can see Miss L's representative has said that Prudential should have personally contacted Miss L and that a phone call or a face-to-face meeting would have likely stopped her from proceeding with the transfer. But Prudential did make personal contact with Miss L in writing. There's nothing in the guidance that required Prudential to contact Miss L by phone to conduct its due diligence, and I think it is unreasonable to expect Prudential to have held a meeting with her. Not only is it impractical, but I also consider it disproportionate.

Miss L's answers to Prudential's questions were, in my view, equally as clear. As I set out earlier on, Miss L explained how things had come about – she'd received a call from FRPS and that she wanted to take advantage of the flexibilities a SSAS offered, which is why she established her own company to sponsor the SSAS. Importantly Miss L said on more than one occasion that she had not received any advice on the establishment of the SSAS or the transfer itself. She did not say that FRPS or any other unregulated party had advised her.

I accept it's possible Miss L was told or coached – perhaps by the unregulated party – how to answer Prudential's questions. Miss L appears to have concealed from Prudential the key thing it was important for her to be warned about – i.e. unregulated advice. But I think Prudential was entitled to believe what Miss L had said. It had written to her directly and she had replied signing her response.

In any event, it's clear that Prudential had concerns about the transfer, which is what prompted it to write again to Miss L setting out those concerns and providing her with what I consider were specific and appropriate warnings in the circumstances. I disagree with Miss L's representative that the warnings were generic.

Prudential's letter explained that while it was willing to make the transfer in line with Miss L's legal right to do so, some of the circumstances of the transfer gave it cause for concern. It highlighted its particular concerns that Miss L had set up her own company to establish a SSAS and she was investing into an unregulated overseas investment. The letter referred Miss L to a publication on the Action Fraud website she should read, which referred to cold calls and made specific reference to the Cape Verde investment like the one Miss L was contemplating with TRG.

Prudential then explained that it would give Miss L a 90-day cooling off period in which it asked her to consider the risks of the transfer and to be satisfied that it was appropriate for her. Prudential recommended that she seek independent regulated advice and it told her how she could find a local adviser via its website if she didn't know of one.

Importantly Prudential also told Miss L about the consequences of dealing with unregulated advisers, including telling her that she would lose any regulatory protection and that she could lose her pension fund if things go wrong.
This in my view was a clear and stark warning.

I'm mindful that, in giving Miss L a period of 90 days to consider things (Prudential in fact said that it would keep things open for 120 days before closing its file) and asking her to sign something to confirm that she still wanted to go ahead having been provided with information about the risks associated with the transfer she was considering, it allowed her time to read, reflect and absorb the information, including the Scorpion leaflet, and decide what to do next. In my view it also allowed her ample time to seek the regulated independent advice Prudential recommended she take.

Given the specific nature of the warning and that it was particular to the transfer Miss L was proposing, all of the things Prudential referred to should've resonated with her. Yet Miss L still went ahead signing Prudential's declaration to confirm that she acknowledged its concerns that the transfer could involve a pension scam, she'd had read the Scorpion leaflet and hadn't taken any advice. But I don't think Prudential could reasonably have done anything more here. I think the warnings it provided along with enclosing the longer version of the Scorpion leaflet, which in my view gave clear easy to understand warnings, meant that it acted fairly and reasonably in dealing with Miss L's transfer request.

Miss L's representative says that because she didn't receive regulated advice, this should've triggered Prudential to be more cautious. I'm not sure what they mean by 'more cautious.' I've already said that I think Prudential acted fairly and reasonably here carrying out appropriate due diligence and giving Miss L clear and relevant warnings about the transfer. Of course Miss L didn't have to get advice, but I accept her indication that she hadn't received advice was a warning sign. And I think this is why Prudential recommended to Miss L that she seek regulated advice and told her about the consequences of dealing with unregulated advisers. It also gave her ample time to consider things. In my view Prudential did act with caution here and there was nothing more it could've reasonably done in the circumstances to warn Miss L of the risks involved with the transfer.

Miss L's representative says Prudential should've halted the transfer because of the involvement of the regulated party and because it was aware Miss L hadn't received advice. Prudential was aware of the involvement of the unregulated party. But Prudential couldn't force Miss L to take advice. All Prudential could do was to recommend she do so and why, which in my view is what it did. And despite Miss L saying that she hadn't taken advice from the unregulated party, Prudential also warned her about the consequences of dealing with unregulated advisers. Ultimately Miss L chose not to get that advice and she exercised her right to transfer, which she was entitled to do. As I've already said, I think Prudential did all that it could reasonably have done in the circumstances to warn Miss L of the risks involved with her proposed transfer.

<u>Summary</u>

I appreciate that Miss L has lost out financially by investing in high-risk investments, which were unlikely suitable for her. But I think Prudential followed the principles of the guidance that was in place at the time and carried out appropriate and adequate due diligence on the transfer request. And having done so, I think Prudential then went on to provide Miss L with appropriate information and gave sufficient and relevant warnings about the risks and consequences involved with the transfer she was contemplating. In the circumstances, I don't think Prudential could fairly and reasonably have done anything more. So, I don't think it is fair and reasonable for Prudential to put right Miss L's losses. It follows that I don't uphold this complaint.

My final decision

For the reasons above, I've decided to not uphold this complaint, so I make no award in Miss L's favour.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 2 January 2025.
Paul Featherstone

Ombudsman