

The complaint

Mrs O has complained about Prudential Assurance Company Limited (Prudential). Mrs O is the trustee of a Prudence Savings Account her sister took out with Prudential. Mrs O has recently found that should have been administering the account and receiving statements for the last 24 years not her sister.

What happened

Mrs O's sister and her late husband took out a Prudence Savings Account with Prudential in 1997 which was placed into an absolute trust. Mrs O was the sole trustee with both Mrs O's sister and her late husband the doners.

Over the life of the trust Mrs O's sister received regular statements, was able to administer the trust and had online access allowing her to monitor the account.

In September 2022 Prudential began sending statements to Mrs O having previously only been sending statements to Mrs O's sister since 1997. Around this time they prevented Mrs O's sister the authority to administer the plan.

Mrs O complained that she was never informed that she was the sole trustee and that she had the understanding that she was an additional trustee rather than the sole legal owner. As Mrs O is older than her sister she feels her being the sole trustee should have been advised against.

Prudential have acknowledged that Mrs O was the trustee and as such should have been the only party eligible to administer the trust and receive statements from the inception of the trust and offered £375 for the distress and inconvenience caused.

Mrs O rejected the offer as she was not happy with Prudential's response and referred her complaint to our service. Our investigator thought the offer was a fair way to resolve the complaint and wrote to Mrs O endorsing the offer.

Mrs O did not accept our investigator's findings and has requested that her complaint is considered by an Ombudsman. Mrs O raised some additional points in her referral request. That had she known that she was the sole trustee she could have taken a more active role in the management of the trust and could have made decisions concerning how the money was invested. And that she was not provided any information about what her duties and responsibilities would have been as a sole trustee

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 Prudential has confirmed that a mistake has been made, I do not feel it necessary to go in to how the mistake was caused. The outstanding issue, as I see it, on this complaint is whether the offer made by Prudential is fair to compensate Mrs O for the distress and inconvenience she may have experienced.

I have reviewed the trust document from 1997 and agree that Mrs O is the sole trustee and therefore should have been the only person eligible to receive statements and administer the trust.

Mrs O has said she has not received any of the trust documentation however I have noted that her signature is on the application from 1997 and the “transfer of servicing” document from 2007. This has persuaded me that Mrs O would have been in receipt of these documents at some point in order for her to sign them.

Mrs O has said that some documents were not signed by her but having checked her signature across the other documents that are not being contested I think it’s more likely than not that Mrs O was in receipt of the forms and that she did complete them.

From what I can see Prudential provided advice to Mrs O’s sister when opening the plan and it was her decision to make Mrs O a trustee. As Mrs O was not the recipient of the advice Prudential did not have a relationship or any obligations towards Mrs O.

I’m satisfied it wouldn’t be for Prudential to explain the role of trustee, but simply to follow Mrs O’s sister’s instructions in arranging the investment as she asked.

It follows from this and the fact I’m satisfied Mrs O ought to have known she was a trustee that I can’t fairly uphold her complaint that she was denied the opportunity to manage the trust.

Prudential hadn’t offered an ongoing service to Mrs O as trustee, and even if she didn’t know she was sole trustee she knew she was one, and so could have taken action on the investment had she considered that the right course of action.

I have not seen any evidence from Prudential to suggest that Mrs O was given prior notice that an error had occurred with the administration of the trust and that going forward she would be solely responsible for its administration. I believe this would have caused Mrs O some alarm and worry having not been primarily involved in the running of the trust since it began.

I have considered the amount of compensation Prudential have offered being £375 for the distress and inconvenience caused to Mrs O. I accept that Mrs O does not feel that the amount offered for what has occurred adequately compensates her and has stated that she feels a substantial award is merited.

I must point out that our service does not make awards to punish a business for mistakes it has made, our awards are not similar to what a court may decide to offer and are modest by comparison.

I do acknowledge that the service Mrs O has received was poor and should have been better. I also appreciate that realising that she was the sole trustee rather than joint would have caused a degree of worry and concern considering her age and the value of the assets she now had in her control.

Saying this I do consider that the offer Prudential has made is in line with what our service would recommend and as such I am not asking Prudential to increase this amount. Prudential should now pay Mrs O the £375 if they have not already done so.

My final decision

My decision is that I do not uphold this complaint and I direct

Prudential Assurance Company Limited to settle the complaint as they have previously agreed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O as the trustee of the T Trust to accept or reject my decision before 15 January 2025.

Rob Croucher
Ombudsman