

The complaint

Mr D complains about the operation of his Unit Trust Assurance Plan held with The Prudential Assurance Company Limited. In summary, he says he has not been supplied with information from Prudential regarding the administration of the investment's underlying fund, and its inaction has prevented him from cashing in the investment back in January 2022.

What happened

Though the timeline is well-known, to assist both parties I will recap it summarily below.

Mr D's investment is a unit trust plan with life assurance, invested since 2016 in the M&G UK Select Fund (which has since been changed to M&G UK Sustain Paris Aligned Fund), which he has held for over 50 years. Annual statements regarding policy performance are issued to Mr D every January through the post.

In September 2021, Mr D lodged a complaint with our service. He had previously complained to Prudential regarding its actions in relation to the valuations given in annual statements, the charges which applied to the investment and misleading wording in the 2020 and 2021 annual statements (which differed to the 2019 statement) regarding Capital Gains Tax ('CGT').

The following month, Mr D closed his complaint – as Prudential had replied to him with the explanation he required, along with £250 compensation. That complaint was then closed.

In 2023, Mr D complained to Prudential for a second time – following a protracted series of correspondence. In summary, Mr D said he had been promised a further statement in January 2022, but he'd never received it. He had begun querying this with Prudential in the following year – because by that time he hadn't received a January 2023 statement. And Mr D said he also couldn't see them on Prudential's online investment portal.

By mid-2023, Prudential supplied Mr D with the missing statements. In a letter of 19 September 2023, Mr D complained, noting his fund value had fallen by £13,254 without explanation. He also felt the annual management charge figure set out was incorrect, as it was higher than the confirm charge set out by Prudential in his previous complaint.

The following month Mr D also said he had concerns about the cash-in value on the statements, and he had noted that the fund name had changed but he hadn't been told about it and he still couldn't access statements on the online portal.

Thereafter a series of correspondence continued between the parties – Prudential explained that Mr D was correct about the annual management charge and it had made an error. It also told him that the fund name had changed and how he could find information about the performance of all funds on its website. Mr D thereafter noted that if the fund had changed name in 2022, it may explain the downturn in performance that year.

In March 2024, Prudential upheld the complaint in part. It accepted it had made errors in the 2021, 2022 and 2023 statements and though these were now corrected, it apologised for the

mistakes and paid Mr D £225. Prudential said Mr D had been sent a letter relating to the fund name change and other proposals ahead of a shareholder vote in June/July 2022. It also said that Mr D couldn't see the statements online (these were postal) because of a migration system issue which meant that function had ended in 2019.

Thereafter, Mr D lodged his second complaint with this service. He noted that Prudential's failure to send him the letter to investors in April 2022 was a major omission and left him powerless, without any opportunity to vote or withdraw his money. Mr D said that the big drop in value during 2022 because of Prudential's changes affected a significant part of his retirement savings. He therefore believed Prudential should restore the value as if he had encashed the investment in January 2022, less any applicable CGT.

One of our investigators reviewed the complaint, but he didn't think it ought to be upheld. He noted that Prudential had accepted it had made various administrative errors in the 2021, 2022 and 2023 investment statements. It had also mistakenly referred in the complaint response to an April 2022 letter regarding the fund changes, but it had transpired that this wasn't sent to Mr D or other investors as it wasn't required. The investigator believed that Prudential had fairly compensated Mr D by paying him £225 for the impact of those errors.

In respect of the performance of the investment, our investigator considered Prudential had reasonably explained to Mr D how the fund value had fallen – and he did not believe Mr D's investment ought to revert to a higher fund value as he had asked for.

Mr D submitted several detailed written submissions, all of which I have read and considered in their entirety. In summary, Mr D said:

- He isn't a serial complainer – it is merely that this issue has crossed a number of years.
- However, the fact he had to make his first complaint – though those matters are resolved now – is relevant because it appears that Prudential will only comply with its duty to resolve customer concerns after pressure has been applied following a referral to the Financial Ombudsman Service.
- He had to pressure Prudential into supplying amended statements, but he has no way of trusting if the information he received is actually accurate.
- He has received £225 compensation – though he never accepted his complaint was resolved – so the question arises whether this is fair compensation or not.
- The £225 compensation is akin to three hours of professional time spent on the matter, when in fact he has spent many hours communicating with Prudential.
- If it is now the case that Prudential didn't tell him about the fund change, he questions how this can be appropriate or fair for himself and any other affected investor.
- He notes the factors Prudential set out which would have affected the performance of equity funds generally in 2022, but he feels Prudential took a judgement call on a fund change which detrimentally affected investors.
- He hasn't been able to access the online investment portal since 2019 – when he can do this with other investments he holds with different businesses. Mr D feels that in 2024, this is simply an unacceptable omission to deny him online account access.
- If Prudential does not now set up the online access as promised within a fair timescale of a few months, he feels it ought to be fined.

Our investigator wasn't minded to change his view on the complaint. Mr D said that he wanted the complaint to be passed to an ombudsman. He also noted:

- In his view, he has supplied sufficient evidence of the several years of issues he has experienced with Prudential's poor administration.
- He understands Prudential has had organisational changes over recent years and perhaps this is the underlying reason for its many administrative failings.
- His essential complaint boils down to the actions of 2022 – if Prudential had contacted him about the changes to his investment – he could have considered taking action such as surrendering it.
- He questions whether Prudential treated him or any other affected customer fairly in those circumstances.
- His complaint isn't purely financial – Prudential ought to be required to maintain customer standards and professionalism; it should be held to task if it doesn't do so.

Prudential had nothing further to add.

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 thank both parties for their considerable patience whilst this matter has awaited an ombudsman's decision, particularly given the current demand for our service.

It's important for me to point out that I note Mr D's request to consider a financial penalty for any further delay to his online account access. But I cannot make such awards because we do not act in the capacity of a regulator. That remit falls to the Financial Conduct Authority ('FCA'), where it may look at wider issues governing how businesses conduct their operations or exercise what may be commercial judgement on the provision of a particular service. This service's role is to investigate disputes and resolve complaints informally, including taking into account relevant laws, regulations, and best practice where applicable.

I should also make clear that complaints about investment/fund performance do not relate to a regulated activity and fall outside of my remit. We are limited by the rules governing this service, as defined by the FCA. In order to proceed under the rules, complaints to this service need to be about acts or omissions by a respondent business in relation to the carrying out of specific regulated activities or any ancillary activities. So, I'm unable to investigate whether the performance of the fund is unreasonable, as that isn't a regulated activity of itself. However, I can look at Prudential's administration of the policy.

To resolve this complaint, I am not required to give an answer to every individual submission Mr D has made, nor give my view on each incident in the chronology of the complaint. Instead, I will decide what I believe are the key reasons for the outcome I have reached. If I don't answer a particular point, it doesn't mean I haven't assessed it. I do not intend any discourtesy to Mr D in addressing the matter in this way, but it reflects the informal nature of our service as a free alternative to the courts and our rules allow me to take this approach.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator. Though I know it won't be what Mr D has hoped for, it means I won't be asking Prudential to do anything further to resolve the complaint. I'll summarise my reasons for reaching that conclusion below.

Mr D now sets out that his primary complaint point is the matter of the fund change in 2022. Principally, he says that Prudential's failure to send him a notification in April 2022 of the forthcoming shareholder meeting in June 2022 meant that he lost the chance to encash the investment.

I appreciate that Mr D says he may have considered surrendering the investment, given his age and retirement objectives. However, I cannot use hindsight to determine the complaint. There is no contemporaneous objective evidence that this was Mr D's intended action. Rather, he awaited an accurate statement from Prudential in 2022, but did not follow this up until a further statement also became overdue the following year.

Furthermore, though Prudential has mistakenly set out that a letter was sent – it is since clear that the fund manager only wrote out to shareholders at the time of the forthcoming meeting – it has also explained how it took a business decision not to update investors in 2022 regarding M&G's proposal. This was because the notice of the meeting (relating to investment objectives, investment policy and investment approach of the M&G UK Select Fund) made no material or substantial changes to the operation of the fund.

The proposal was to add enhancements to the fund's environmental, social and governance ('ESG') disclosures. However, the aim to provide a higher total return net of ongoing charges than the FTSE All-Share Index over any five-year period and the policy of investing at least 80% of the fund directly in UK equity securities and equity-related securities across all business sectors remained unchanged. And the documentation from the time confirmed that, along with Prudential's conclusion that M&G's intended actions had no adverse impact on the fund's financial objectives for its investors.

Whilst Mr D is entitled to form his own view on the reasonableness of Prudential's operation of the investment, I must also do the same. From an independent standpoint, I do not consider its administration to have been unfairly handled or that Prudential has failed to behave reasonably or professionally in the circumstances. It took a business decision in relation to the fund – and Mr D was free to review its fund information online at any time.

I appreciate that the fund performance thereafter decreased. However, I believe that the information provided by Prudential relating to that downturn was reasonable; it explained the overall performance from the business's perspective against the wider market influences. I've not seen any objective evidence that would lead me to conclude that Prudential has mismanaged the investment or has otherwise unreasonably provided information about the fund.

It follows that I do not agree that Prudential should reimburse Mr D for the fund value as at January 2022. I haven't seen any objective evidence that the amendments of June 2022 by the fund manager were attributable for the loss Mr D describes; and I note Mr D's assertion was noted with hindsight, as he became aware of the changes over a year later. Mr D was reasonably aware of the nature of the investment in terms of both gains and losses within any given fund, as well as his ability to switch funds if required. I cannot safely conclude that he would have done anything differently even if Prudential had sent the fund manager's letter of April 2022 to investors.

Turning to the issues with online access, whilst I realise this is a frustration for Mr D, Prudential has explained why it cannot – currently – undertake provision of the statements online. Though I know it's frustrating for Mr D, this isn't something I can direct Prudential to provide, where it does not presently have a system to facilitate this.

It's otherwise clear that both parties accept Prudential has made several administrative failings regarding the content of Mr D's investment account statements. Though these have now been rectified, Mr D feels that he hasn't been appropriately compensated for the impact of these mistakes, notably the time he's spent dealing with the complaint.

What this service does is consider if a business has treated its customer(s) unfairly because

of actions or inactions. And if it has done so, we then go on to consider what ought to be done to put the mistake(s) right. In this case, that was for Prudential to correct the administrative errors it made within the statements and the failure to provide them to Mr D – which it has done. As well as putting right any financial losses in a complaint (though I do not believe there are any) this service will also consider the emotional or practical impact of any errors on a complainant. In doing so, we do not fine or punish businesses; that regulatory role falls to the FCA – something I've explained earlier in this decision.

It may be helpful for Mr D to review the guidance available on our website around the amounts and types of awards made in instances of upset, trouble, inconvenience and distress caused by businesses in the complaints we see at this service. Further, we do not ordinarily expect a business to compensate a customer for time spent pursuing a complaint.

Looking at everything in the round, I believe that the compensation paid to Mr D was appropriate in the circumstances, taking account of the administrative nature of the errors. I recognise that this isn't the outcome Mr D would have liked, but I do not believe Prudential needs to do anything further to put matters right beyond correcting the errors it has caused, its commitment to improve its customer service and the compensation payment it has made.

My final decision

I am unable to uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 June 2025.

Jo Storey
Ombudsman