

## **The complaint**

Mr S complains that The Prudential Assurance Company Limited (Prudential) provided him with poor service.

## **What happened**

Mr S has a personal pension policy with Prudential which I understand he's held since 1989. It contains a term where some of his contributions increase by 5% each year.

On 19 May 2023, Prudential wrote to Mr S about a change to how it administered his policy. The letter explained that due to the number of contribution increases it'd previously added to his policy, it had needed to create a second Prudential reference number so it could collect direct debits from him.

The letter went on to state that the second reference number wouldn't affect Mr S's benefits in any way. It also provided the two different reference numbers and the amounts of direct debit that it would take under each one. And said that it would add all future 5% increases to the second policy reference.

I understand that before June 2023 Mr S could look at his policy valuation online. But from June 2023 onwards he's had to request valuations from Prudential, which he's generally done on a monthly basis.

On 16 May 2024, Mr S contacted Prudential to get a valuation. He said it told him he'd receive that within five working days.

As Mr S had yet to receive the valuation he'd requested on 16 May 2024, he contacted Prudential again on 23 May 2024. He raised a complaint about this.

Prudential wrote to Mr S to give him advance notice of its direct debit collection, and the associated contribution increase, on 24 May 2024. It said Mr S's regular monthly pension contribution would increase from 1 June 2024. And that his revised monthly contribution would be £444.47 gross.

I understand that Prudential migrated to a new system. And that from 1 June 2024, that new system allowed it to combine both of Mr S's policies. This removed the need for two separate direct debit payments. So it recommenced collection for the whole monthly payment from the original direct debit. It didn't tell Mr S what it'd done or why it'd done it.

Prudential provided its final response to Mr S's 23 May 2024 complaint on 3 June 2024. It acknowledged that it'd provided him with poor service. It apologised and offered to pay him £75 compensation for the distress and inconvenience that had caused. It said it'd pay that compensation into a bank account number that Mr S didn't recognise.

Prudential said it'd arranged to send a detailed explanation to Mr S, which he should receive in the following ten working days.

Mr S said that on 4 June 2024 he noticed that his two direct debits had gone down to one

single payment. So he logged onto his Prudential account and noticed that one of his policy reference numbers had been removed. He then contacted Prudential to ask it what had happened. He also said he'd still not received the valuation he'd first asked Prudential for on 16 May 2024.

Mr S complained to Prudential again on 13 June 2024 about the bank account it'd referred to in its 3 June 2024 letter. He said that wasn't his account. He asked Prudential to make any payments to him by cheque.

On 13 June 2024, Prudential issued a valuation letter to Mr S. The same day, it wrote to him in response to his 4 June 2024 query to explain why his two direct debits had changed to one.

Prudential issued a second final response on 19 June 2024. It apologised for its error with Mr S's bank details and offered to send him a cheque for £100 for the distress and inconvenience this had caused.

Mr S didn't think it was clear which of his complaints this award related to. So he wrote to Prudential to ask it to clarify this on 19 and 27 June 2024.

On 27 June 2024, Prudential sent Mr S a further valuation letter. He said he received this on 2 July 2024.

Mr S wrote to Prudential again on 4 July 2024. He asked it to investigate his complaints and to provide a root cause analysis. He wanted to know what steps it intended to take to prevent the issues he'd faced from happening again.

Prudential sent a further valuation letter to Mr S on 12 July 2024. This said it was in response to his valuation request from 7 June 2024.

Unhappy, Mr S brought his complaint to this service in August 2024. He didn't think it was reasonable for the valuations he needed to take as long to get as they did. And was unhappy that Prudential hadn't explained what was happening with his policy when it'd changed the direct debits. Mr S wanted to be able to see his valuation online again.

On 26 August 2024, Prudential sent another valuation letter to Mr S.

On 30 September 2024, Prudential issued a further response to Mr S's complaints. It acknowledged that it hadn't provided him with a good service, noting that it hadn't always met its five working day service standard for his valuation requests. It also said it'd taken longer than it should to respond to the complaint.

Prudential apologised for failing to ensure it had the right bank account details before making the £75 compensation payment. But it said that due to its system limitations, Mr S wouldn't be able to view his policy's value online. It increased its offer of compensation by £250, leading to a total compensation offer of £325 for the issues Mr S had faced.

Prudential confirmed to this service that Mr S's policy values wouldn't be available online for the foreseeable future. It also explained that when it'd migrated onto its new system earlier that year there was no limitation around the number of benefits one policy could accommodate. This meant that it could revert to only using the original policy and a single direct debit.

Prudential issued a further response to the complaints on 12 November 2024. It didn't agree that it'd failed to answer all of Mr S's concerns. It explained in further detail why it'd needed

to create the second reference number and why its migration to its new system had meant it no longer needed the second reference number. And confirmed to Mr S that his policy was correct and had no missing contributions

Our investigator considered whether Prudential had taken reasonable steps to put things right. After considering the complaints as a whole, he felt that Prudential's offer of compensation was fair. He acknowledged that Mr S would be disappointed as he wouldn't be able to view his valuations online. But felt that he could still get valuations by contacting Prudential.

Our investigator felt that Prudential should provide Mr S with a breakdown - in a clear and simple format - of exactly what had happened with the funds it'd collected under the second policy reference between June 2023 and June 2024. And how much had then been added to his original policy reference. This was so Mr S could be sure that the correct amount had been added to his policy.

Mr S didn't agree with our investigator. He didn't think the information Prudential had given him was satisfactory. Nor did he agree that the compensation was adequate. He also had a lack of confidence that service would improve. He said he was still fighting to get valuations.

Prudential told this service that it'd issued a letter to Mr S about his policy in January 2025. This covered a potential adjustment it could make on his policy known as a Market Value Adjustment (MVA). It also included a valuation of his policy.

As agreement couldn't be reached, the complaint has come to me for a review.

### **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 agree with our investigator that Prudential has, for the most part, already taken appropriate steps to put things right. But that it should take the further step he outlined to ensure that Mr S is satisfied that Prudential's temporary addition of his second policy reference didn't lead to financial loss. I know this will be disappointing to Mr S. I'll explain the reasons for my decision.

I first considered Prudential's failure to inform Mr S about closing his second policy reference without telling him.

Our investigator considered Mr S's complaint about Prudential setting up and closing his second policy reference without telling him. He explained in detail why he felt Prudential needed to take one further step – that is, providing Mr S with a clear breakdown of what happened with the funds it collected under the second policy reference between June 2023 and June 2024.

I agree with our investigator's analysis of this part of the complaint, so I won't repeat it here. In summary, I can see that Prudential wrote to Mr S on 19 May 2023 to tell him about the second reference number. I can also see that Prudential failed to tell Mr S that it was going to remove his second policy reference and second direct debit. So I understand why this led to the concerns Mr S has raised, especially as his policy was no longer visible online.

I agree with our investigator that as far as Mr S was concerned, the money he'd paid through the second direct debit might not have been correctly added to his policy. I therefore agree that Prudential must provide Mr S with a breakdown - in a clear and simple format - of

exactly what happened with the funds it collected under the second policy reference between June 2023 and June 2024. It should also confirm how much it then added to his original policy reference.

Mr S doesn't think Prudential is providing him with the information he needs in a satisfactory way. He also has a lack of confidence that Prudential's service will improve. So I next considered if I can require Prudential to act differently.

*Is Prudential's service standard for responding to an information request reasonable. And can I fairly require Prudential to provide Mr S with online access to the information he needs?*

Prudential has confirmed that its standard response times for a valuation request is five working days.

I consider that a service standard of five working days to fulfil such a request is reasonable, and in line with that which other providers work to. I therefore can't fairly ask it to reduce this service standard.

I can see that Mr S really valued his online access to his policy valuations. So the fact that he now has to request them from Prudential has made the service it provides to him much worse. But I haven't been presented with any evidence that Prudential contracted to provide Mr S with online access in this way. And this service doesn't have the power to require Prudential put Mr S's valuation information online. I therefore can't fairly ask Prudential to provide Mr S with such online access.

I acknowledge Mr S's point that he has to contact Prudential repeatedly because he can no longer see the information he needs online. He considers that he won't be its only customer in this position. And that this must be causing Prudential considerably more work and therefore slowing down its response times.

I don't disagree that this might be the case. But it's Prudential's responsibility to manage that workload within its service standards. And if it doesn't do so, its customers are entitled to make a complaint about its service.

Mr S doesn't consider that the compensation Phoenix has offered to pay him is adequate. So I've gone on to consider this point.

#### *Distress and inconvenience*

Before I start, I can see that Mr S appears to think that our investigator's view means it's less likely, if he continues to receive poor service from Prudential, for it to offer him compensation. But I can't fairly agree.

I acknowledged earlier in my decision that Mr S isn't confident that Prudential's service will improve. But I can see that our investigator has already explained that should he encounter further service issues with Prudential, he can raise a new complaint. Put simply, if Prudential continues to fail to meet its service standards, I'd usually expect it to uphold any complaint about its service.

Prudential has acknowledged it made the following errors:

- It failed to meet its service standards for providing Mr S with the valuations he requested. In its initial final response letter, it offered to pay Mr S £75 compensation for the distress and inconvenience that had caused.

- In the same final response, Prudential paid the £75 compensation to the wrong bank account. It went on to apologise for its error and sent Mr S a cheque for £100 for the distress and inconvenience this had caused. Mr S wasn't clear which of his complaint points the £100 related to. But I'm satisfied that it was reasonably clear that it related to the use of incorrect bank details.
- It failed to inform Mr S that it was reverting to a single policy reference and a single direct debit.
- It took longer than it should have to respond to his complaints.

In addition to the £100 cheque Prudential has already sent Mr S, and the £75 it initially offered him for failing to provide the valuations he requested in a timely manner, Prudential offered him a further £250 compensation for the poor service it'd provided. In total, this means it has offered him £425 compensation.

I'm satisfied that although the service issues would've been frustrating and inconvenient, they haven't led to a financial loss for Mr S.

Our service considers that an award of this size is reasonable where there have been repeated small errors, or where the impact of the errors has caused considerable distress and inconvenience. I think that is the case here. I'm therefore satisfied that the compensation Prudential has offered Mr S is reasonable under the circumstances of the complaint.

I uphold the complaint, as I require Prudential to take the additional step I've noted above.

### **Putting things right**

I require The Prudential Assurance Company Limited to take the following further steps to put things right:

- provide Mr S with a clear breakdown of what happened with the funds it collected under the second policy reference between June 2023 and June 2024.
- Pay him any part of the total £425 compensation it has offered him but not yet paid.

### **My final decision**

For the reasons set out above, I uphold Mr S's complaint. The Prudential Assurance Company Limited must take the action detailed in "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 May 2025.

Jo Occleshaw  
**Ombudsman**