

The complaint

Miss C1 and Miss C2 complain that The Prudential Assurance Company Limited delayed the payment of a top-up to their Prudential Investment Bond, causing them to incur a loss.

What happened

Miss C1 and Miss C2 had held a Prudential Investment Bond for several years. In 2022 they made a withdrawal from the Bond of £900,000. Shortly after, their plans for the money changed so they wanted to return £800,000 to the Bond.

On 26 October 2022 their uncle, Mr C, a financial adviser, contacted Prudential on their behalf (although not in a professional capacity) to enquire about the process for returning the money, effectively as a 'top-up' to the bond. It was explained to him that a form would need to be completed and this would be sent to him by email.

This form was duly provided, but he also contacted a Prudential account manager for information. As a result of this Miss C1 called Prudential on 2 November 2022 to obtain bank account details for where the money should be sent. These details were provided, and Miss C1 made a CHAPS payment to Prudential on 4 November 2022.

The money wasn't allocated to the Bond, and on 23 November the Prudential account manager chased internally and was told that the required form had been sent to Mr C on 2 November 2022 but hadn't been received back.

The form was eventually completed at the end of December 2022 and received by Prudential on 6 January 2023. After some further required financial information was obtained, the money was applied to the Bond as of 20 January 2023.

Mr C complained to Prudential on Miss C1 and Miss C2's behalf, but it didn't think it had done anything wrong, in the main because it couldn't have completed the top-up without the form. The complaint was referred to this service, but our investigator reached the same conclusion.

As no agreement could be reached, because Miss C1 and Miss C2 maintained that the delay in reinvesting the money was the fault of Prudential, the matter was referred to me to review.

I issued a provisional decision in which I explained why I didn't think the complaint should be upheld. I said, in brief:

"The background I've set out...is quite a brief summary of what happened. And during investigation of the matter by Prudential and this service several additional ancillary issues, such as the time taken to respond to the complaint, Prudential contacting Mr C with its response and the capacity in which he was involved, have been considered.

But I think it's fair to say that the primary issue of concern to Miss C1 and Miss C2 is whether poor administration and communication by Prudential during the initial part of the process

(between 26 October 2022 and Prudential's receipt of the completed form on 6 January 2023) created a delay that left the £800,000 uninvested for several months and resulted in a loss of investment return.

The process of reinvestment was, as noted, instigated by Mr C on 26 October 2022. He called Prudential, explained the circumstances and what needed to happen. He was told, after a brief internal referral by the Prudential staff member (due to the size of the top-up), that it could go ahead but a form would need to be completed. It was agreed that this would be sent by email to Mr C, and it was suggested this could take until 8 November 2022, which Mr C was unhappy about. But the staff member said they'd try to get it sent sooner.

The next important event is the call made by Miss C1 to Prudential a week later, on 2 November 2022. During the call she explained briefly about the need to make the top-up and went on to say that she'd "already requested a concession with a Pru Rep", so was just needing the details of the account to which the transfer should be made. Those details were provided to her, and she used them to make a CHAPS transfer of £800,000 to Prudential two days later, on 4 November 2022.

I don't think there were any issues with how either of these calls was handed by Prudential. The information provided in the first call was accurate, checked and clearly explained. The second call could, perhaps, have provided more information. But conscious of Miss C1 confirming during the call the involvement of a Pru Rep, I'm satisfied the staff member acted reasonably in simply providing the bank details she was asked for.

What isn't particularly clear are the circumstances around the involvement of the Prudential account manager – the 'Pru Rep' referred to during Miss C1's call. Mr C and Miss C1 have said that the Pru Rep was contacted by Mr C when he received the form from Prudential on 2 November 2022 because, as he was no longer advising professionally, he didn't feel able to complete it. The evidence indicates that Miss C1's call to Prudential on 2 November 2022 was made at 15:52, at which point Mr C must have already spoken with the Pru Rep to obtain the 'concession'. But it appears the form was emailed to Mr C after the call was made, at 17:32 the same day.

Mr C has indicated that the Pru Rep said simply that Miss C1 should call Prudential and say she had a concession and obtain the bank account details, which is what she did. But that provision of information isn't documented anywhere, unlike the call during which Mr C was told a form was required and the email in which this was confirmed, and the form provided to him.

So, Mr C was told a form was required at the outset and this was confirmed in the email. He may have been given conflicting information by the Pru Rep in the interim. But he would've been aware that he'd received conflicting information (presumably that the top-up could be made without the form). The situation regarding the form could've been confirmed with Prudential prior to Miss C1 making the transfer.

And after the transfer on 4 November 2022, there doesn't appear to have been any chase up of the money's whereabouts until 23 November 2022, at which point the Pru Rep made an internal call and was told that the money hadn't been applied to the Bond and no form had been received. The Pru Rep didn't sound surprised to hear that a form was required. He seemed to accept that was the process and suggested that the form could be emailed promptly and then the money already received by Prudential matched with the Bond, which the other member of staff confirmed would be acceptable.

As noted, the form was subsequently received by Prudential, but not until some time later, on 6 January 2023. It's not entirely clear why there was this additional delay at this point.

There's a record of Prudential calling out to Miss C1 on 5 December 2022, but she couldn't take the call at that time and a callback was arranged for later in the day. Unfortunately, that callback wasn't actioned by Prudential. But it does show that Miss C1 was aware Prudential was trying to contact her.

As I say, none of this is particularly clear, and the evidence does suggest that there may have been inaccurate and/or contradictory information provided by Prudential – by the Pru Rep at least. But I'm also conscious that Mr C, and presumably in turn Miss C1, were made aware of the need for the form to be completed from the outset and this was confirmed by the email of 2 November 2022.

Having made the CHAPS transfer on 4 November 2022 and receiving no confirmation they don't appear to have been particularly proactive in chasing up the money. I understand this may have been because they were relying on the Pru Rep but given there's no documentary evidence relating to communication between Mr C and the Pru Rep it's very difficult for me to conclude with any certainty exactly what he did, or didn't, do wrong.

Mr C has indicated that the Pru Rep acknowledged that there'd been a mistake made by Prudential, that the calls had been listened to by a senior member of staff and the matter resolved. But nothing in the call recordings I've heard suggests to me Prudential acted incorrectly. In all the circumstances, it seems to me that the delay (at least during the first part of the process) was more likely than not due to a misunderstanding, potentially caused by Mr C seeking to expedite (I accept entirely in good faith) the process via the Pru Rep, despite it having already been confirmed to him from the outset what the correct procedure was.

This being so, as things stand, I find I'm unable to conclude that more likely than not, Prudential is responsible for all, or part, or the delay in the money being re-invested. It follows that I don't think it should be required to make good any investment loss."

Mr C and Miss C1 and Miss C2's father provided some further submissions in response to my provisional decision. They disputed various aspects of the chronology and facts I'd set out in, in particular in respect of the Pru Rep's involvement and the concession granted.

Mr C said that he been given the impression the form was unnecessary and when it became clear it was still required, the wrong form had been provided. He also questioned how Prudential could've retained such a large sum for so long without it being allocated to the bond.

Mis C1 and Miss C2's father felt that the evidence of the Pru Rep was vital to clarifying what had happened. He said that the Pru Rep had verbally confirmed to him, independently of evidence provided to Prudential, that, among other things, a concession had been authorised that had linked payment of the money to the bond.

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, my position remains as that set out in my provisional decision. I want to assure all the parties I've re-read and reconsidered everything on the file and taken careful account of everything that's been provided in light of my provisional decision. But I'm satisfied I don't need to comment on every point raised to reach what I consider to be a fair and reasonable decision.

Where I've chosen not to comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. That approach is in line with the rules we operate under.

Further, where the evidence is incomplete, inconclusive, or contradictory, I've reached my decision based on the balance of probabilities. That is, what I think is more likely than not to have happened in light of the available evidence and a consideration of the wider circumstances.

I think it's clear there was some confusion in the communication between the parties during the course of the money being returned to the bond. And there has continued to be conflicting accounts provided of what happened.

To uphold the complaint, I would need to be persuaded, on balance, that Prudential acted incorrectly and in doing so created an avoidable delay in the reinvestment of the money. And while I think there *may* have been some conflicting information provided at some point, I'm not sufficiently persuaded anything that could be considered to be *incorrect* was done by Prudential. As I said before, the phone calls I've heard were all handled reasonably. And the required form was provided promptly to Mr C in accordance with what was clearly explained to him during the initial call with Prudential.

It seems that confusion may have been created with the involvement, subsequent to the initial call being made, of the Pru Rep, around the nature of the 'concession' granted. Was it in respect of the size of the sum (more than would usually be accepted into the bond) or was it in respect of the need for a form to be completed? The former seems to be Prudential's position, the latter Mr C's.

But while I note what Mr C has said, the documentary evidence supports there having been a need for the form to be completed and him being told this. When the Pru Rep called internally on 23 November 2022 to chase up the payment he didn't indicate that he'd informed Mr C that a form was no longer necessary – that a concession had been granted in that respect. I see no reason why he wouldn't have mentioned this as a possible cause of the problem if there'd been an agreement that a form wouldn't be necessary. But, as I say, there may well have been a misunderstanding on this point.

Ultimately, I've still not seen persuasive evidence of incorrect or misleading information being provided by Prudential. It seems to me most likely that with several people involved in the process (I accept all quite genuinely attempting to help and expedite the process on behalf of Miss C1 and Miss C2) lines became crossed and the requirements misunderstood.

As such, I remain of the view that there's no basis upon which I can reasonably direct Prudential to make good any investment loss that may have been incurred as a result of the delay in the money being reinvested.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C1 and Miss C2 to accept or reject my decision before 23 May 2025.

James Harris
Ombudsman