

The complaint

Mr F complains that The Prudential Assurance Company Limited (Prudential) inappropriately deducted ongoing advice charges from his policy between October 2020 and January 2021 despite the fact that no financial advice was given during that time.

What happened

Mr F held a personal pension with Prudential until he apparently switched it to another provider. The documentation that Prudential issued to Mr F showed the name of his financial adviser and that he'd agreed for Prudential to deduct ongoing advice charges from his plan and pay them directly to his adviser.

Around July 2019, Prudential received a letter of authority (LOA) from a different firm of advisers, which I'll refer to as P, showing that it was now responsible for giving Mr F advice. Prudential updated its records accordingly.

Mr F says that between October 2020 and January 2021 inclusive, P was physically unable to give him financial advice. That's because, according to Mr F, the adviser had gone to work with another firm, so P no longer had an authorised or regulated adviser to give advice. Mr F says that had Prudential been more diligent, it would have been aware of this. Therefore, he believes that it shouldn't have deducted ongoing advice charges (totalling £1,094.19) from his pension.

Mr F complained to Prudential in December 2024 alleging that it failed to have sufficient systems and controls in place to ensure he wasn't charged ongoing advice fees during the period in question. In particular he said that, according to the Financial Conduct Authority (FCA) register, P's adviser started to work with a different financial firm, T, in September 2020. And even though P didn't surrender its FCA permissions until August 2021, as the adviser was the only authorised and regulated adviser for P at the time, Mr F insists that it would have been "*impossible*" for P to give him any advice during the period in question.

Prudential responded on 15 January 2025. It referred to the LOA it received in 2019 showing P as the advising firm. It said that it's not unusual for an adviser to work with different firms and that in itself would not be a reason for it to stop deducting adviser's fees. In any event, at the time of the charges in question, P was still FCA authorised and entitled to receive ongoing advice charges. It said that if Mr F was not satisfied that the advice he received was adequate for the amount charged, he should take that up with the adviser directly.

Mr F wasn't happy with Prudential's response, so he complained to the Financial Ombudsman Service.

One of our Investigators looked into the complaint, but he didn't uphold it, as he didn't think Prudential had acted unfairly or unreasonably. Not least because Prudential would generally only be expected to remove an adviser on instruction from Mr F. Further, the Investigator felt that Prudential wouldn't be privy to the precise client agreement between Mr F and P, so wouldn't have known what service he was entitled to. And in the absence of a specific instruction from Mr F, he didn't think Prudential would be expected to withhold payments. The Investigator also felt that if Mr F was unhappy with the ongoing advice he received

compared to the amount charged, this was a complaint that should be directed at the adviser firm.

Mr F asked for an Ombudsman to review the matter afresh. It's been passed to me to decide.

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, it's evident to me that at the heart of Mr F's complaint is the service he received from P, his financial adviser, (or the lack of). I can entirely appreciate why Mr F would be concerned about paying for a service he says he didn't receive. But that's not the complaint I've been asked to determine here. Mr F says that his pension provider, Prudential, acted unreasonably by continuing to deduct ongoing advice charges, which were then passed onto P, when P wasn't providing the service that warranted those charges. And he seems to be suggesting that Prudential would have known that if it had carried out further checks or had better systems in place.

I've thought about Mr F's arguments very carefully, but for the reasons I'll now set out, I don't think Prudential has done anything wrong. So, I won't be upholding this complaint.

First, the provision of ongoing advice was a service that Mr F agreed directly with P. Prudential's role here was to deduct the charges associated with that service from Mr F's pension. That's not an unusual arrangement. But it could only do that on Mr F's instruction. And the evidence suggests it only set up that arrangement having received the authority to do so. I've seen no persuasive evidence to suggest that Mr F told Prudential to cancel that instruction or otherwise indicated that he wasn't receiving the service he was paying for at the time.

Mr F says that the adviser went to work with another firm sometime around September 2020. And as the only regulated adviser working for P, he says that meant it was "*impossible*" for it to deliver the service he was paying for from around October 2020 onwards. So, Mr F clearly doesn't think he should have continued to pay for ongoing advice thereafter. And that's a factor in him saying that Prudential acted unreasonably when it continued deducting charges which were passed onto P.

I think Prudential made a reasonable point when responding to Mr F's complaint. It explained that it's not unusual for an adviser to work at different firms, so the fact that Mr F's adviser had apparently gone to work with a different firm wouldn't be a reason for it to stop deducting charges and passing them on to the original firm. Especially when that firm was still authorised by the FCA and was still trading. An added point worth making here is that even if Prudential was aware that the adviser had started working with a different firm (there's nothing to say it knew this at the time) it couldn't necessarily have known that Mr F wasn't receiving the service that he was paying for.

However, given Mr F's assertions, I've thought about whether Prudential could reasonably have been expected to do anything more in this particular situation. It's right to say that there are a number of important regulatory responsibilities placed on providers like Prudential. However, once an instruction is given by a policyholder to deduct charges from their plan and pass them to an adviser firm, I'm not aware those obligations would extend to the provider routinely checking that advice is still being given before it deducted charges. Rather, I think a provider is entitled to rely on information or an instruction from the policyholder. So, in the absence of any evidence to suggest Prudential was aware of a

problem at the time or it receiving a variation of the instruction to deduct charges from Mr F, I think it was reasonable for it to carry on making deductions as per the agreement in place.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 June 2025.

Amanda Scott
Ombudsman