

The complaint

Mr H complains that The Prudential Assurance Company Limited didn't cancel the deductions of ongoing advice charges when his adviser moved to a new firm.

What happened

The details of this complaint are well known to both parties and aren't in dispute. As such, I've only summarised key events below.

Mr H held a pension with Prudential from 2018 until June 2021.

In 2018 he asked Prudential to pay his adviser 'PC' an ongoing advice charge (OAC) from his pension on a monthly basis. This was updated in 2019 when the name of PC's firm changed. I will refer to this as 'Firm P'.

Mr H says that in September 2020, PC left Firm P and moved to a new firm. However, Prudential continued to pay OACs (totalling £1,552.78) to Firm P from September 2020 until Mr H transferred his pension away in June 2021.

Mr H complained to Prudential in January 2025. He said PC was the only adviser at Firm P, so once he'd left the company, it was impossible for Firm P to have given him ongoing advice from September 2020. He said Prudential failed to have systems in place to ensure he wasn't charged an OAC after that date. Mr H asked to be put back into the financial position he would have been in had the fees not been taken from September 2020 until he transferred away in June 2021.

In response, Prudential rejected the complaint. It said Firm P was authorised by the regulator – The Financial Conduct Authority (FCA) – until 27 August 2021. It said it received updates from the regulator each month and if it had received confirmation that the firm was no longer regulated, it would have cancelled the OACs being deducted.

It went on to say that it only facilitates the payment of OACs to the adviser and any disputes should be directed towards Firm P as the terms and conditions of Mr H's plan set out.

Mr H wasn't happy with Prudential's response to his complaint and so he brought it to our Service.

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.

In deciding this complaint I've taken into account any relevant law and regulations, regulator's rules, guidance and standards, codes of practice and what I consider to have been good industry practice at the relevant time. I've also considered the specific terms and conditions of Mr H's pension with Prudential.

Much of this complaint isn't in dispute. Mr H doesn't dispute that he'd asked Prudential to

pay OACs to Firm P. But he says Prudential ought to have had systems in place to stop the OACs being paid to Firm P when its only adviser - PC - moved to a new firm.

Prudential have referenced the terms and conditions of Mr H's pension in its response letter and have sent a copy of the terms on a similar complaint to Mr H's. The terms cover the payment of OACs and specifically when they would stop being paid. It says:

31.4 We will stop paying adviser charges as soon as reasonably practicable after:

31.4.1 you tell us to;

31.4.2 the full amount of adviser charge can't be deducted as described in section 31.2;

31.4.3 we become aware that your financial adviser is no longer authorised to give financial advice;

31.4.4 your financial adviser has been taken over;

31.4.5 we are notified of your death...

I've seen no evidence that Mr H asked Prudential to stop paying the OACs. It seems to me the term that would most likely apply here is 31.4.3 which says Prudential would stop the payment if it became aware the adviser was no longer authorised.

However, Prudential have demonstrated, by providing information from the FCA's website, that Firm P were regulated and authorised until August 2021. It also showed PC, a regulated adviser, as being the executive director of Firm P until August 2021. So, while PC was also working for a new firm from September 2020 (which is not entirely unusual), Firm P was still regulated in its own right and had a regulated adviser as its director.

I think it's reasonable for firms like Prudential to rely on information from the regulator as to whether or not a firm remains authorised to provide advice. And the information displayed on the FCA's website would have caused Prudential to think Mr H's adviser was still authorised under Firm P until August 2021 which was two months after Mr H had transferred his pension away.

In its complaint response Prudential also explained that it receives communications about authorisations from the FCA on a monthly basis. It said if it's informed a firm is no longer authorised, it arranges for its records to be updated and no further OACs are paid. I'm satisfied this is a reasonable system for Prudential to use, as it reduces the likelihood of OACs being paid to an unauthorised firm.

Firm P were regulated until after Mr H transferred away from Prudential. So, I see no reason it would have received any information from the FCA to suggest Firm P were no longer authorised before Mr H transferred away in June 2021

Having carefully considered this complaint, I'm satisfied that, in the absence of any reason to suggest otherwise, Prudential acted in line with the terms and conditions of Mr H's pension by continuing to pay the OACs to Firm P. Therefore, I'm satisfied Prudential have acted fairly and reasonably in rejecting Mr H's complaint.

My final decision

My final decision is, I don't uphold Mr H's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 October 2025.

Timothy Wilkes
Ombudsman