

The complaint

Ms N is unhappy that The Prudential Assurance Company Ltd (“Prudential”) communicated with her in relation the various pension policies she held with them.

What happened

Ms N originally held various pension policies with Scottish Amicable Life Assurance, invested within one of their investment funds (“SAIF”), whose business was subsequently taken over by Prudential in 1997. In November 2020, she cashed in these policies, taking lump sums (after deduction of tax) in respect of each one.

In the subsequent years, she became unhappy with elements of the service she’d been provided with by Prudential. She complained to them, raising various concerns over time. Unhappy with Prudential’s responses, she brought these complaints to our Service.

We considered the initial complaint points she’d raised – about the amount of final bonus she received prior to cashing out, and issues with historic statements not having been provided. And I issued a Final Decision addressing these points in February 2025.

Some of Ms N’s complaint points were raised with Prudential and/or our Service during our investigations into the above complaint. It was felt appropriate to deal with these separately. These were put to Prudential, following which Ms N asked this Service to investigate them. In summary, they were as follows:

- Following Prudential’s acquisition of Scottish Amicable’s business in 1997, Ms N’s policies were eligible to receive a quantity of bonus units, but she hadn’t seen any evidence that these were applied to her policies.
- Ms N had been sent a letter in December 2023 regarding policies that she’d fully encashed in 2020, suggesting poor and unreliable record keeping by Prudential.
- Ms N also questioned why, shortly prior to encashing two of her policies, they were transferred from ‘with-profit’ funds to ‘cash’ funds without her permission.
- And, connected to that, Ms N wasn’t told quickly enough about a merger involving SAIF and Prudential’s own with-profits fund, that completed in April 2021. She believes she lost out on two bonuses because of this – she said she’d have delayed cashing in the respective policies, allowing the bonuses to be received, had she known.

One of our Investigators considered these points, concluding as follows:

- Prudential had subsequently been able to provide internal screenshots to show that bonuses were applied to two of Ms N’s plans in 1997, and one wasn’t eligible. Information in relation to a fourth policy had already been supplied. As such, there was nothing further for Prudential to do in this regard.
- Prudential accepted they’d made an error when sending the December 2023 letter, as it had misunderstood the nature of an information request Ms N had made previously.
- Prudential had explained why, as per the terms and conditions of Ms N’s policies, her funds had been moved from ‘invested’ to ‘cash’ in advance of her taking the full benefits from the plans – a practice that is usual. The policies needed to be converted to cash before Ms N could access these benefits.

- Regarding the merger notification, the Investigator first considered whether the notification letter could have reached Ms N quicker than it did. It had been sent to her in December 2020, via airmail (she lived in the Far East), but didn't arrive until February 2021. Our Investigator acknowledged Ms N had previously asked for some documents to be made available to her electronically, and more precisely via her online 'MyPru' account, and queried with Prudential why this letter couldn't also have been shared via the online facility.
- Our Investigator felt Prudential's subsequent explanation was a fair one – bulk mailings of this sort (general provision of information) would always be sent by post. Only certain standard policy-specific documents, such as a P60 or annual statement, were able to be uploaded.
- Further, Prudential couldn't be held responsible for the delays in their letter being received by her. They had no control over the time it took for an airmail letter to arrive.
- However, he accepted that Ms N had experienced distress and inconvenience because of the mistaken letter received, and the unreasonable delays she'd experienced in being provided with evidence of the historic bonus issues. He said Prudential should pay her £150 compensation in respect of the distress caused. Also, they needed to provide her with copies of certain documents to evidence the bonus payments had been applied.

Prudential accepted our Investigator's conclusions. However, there followed a sequence of exchanges between Ms N and the Investigator, culminating in her accepting most of his conclusions. But, she remained unhappy with his conclusion regarding Prudential's delay in alerting her about the merger and asked for an Ombudsman to consider this point. As such, Ms N's complaint has been passed to me to consider further and issue a Final Decision.

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 want to begin by confirming that, given Ms N has already accepted most of the conclusions reached by our Investigator on the merits of her complaint, I'll be focussing here only on the outstanding matter mentioned above - that Ms N is unhappy because she thinks Prudential should have notified her of the merger before they did.

She bases that belief on two reasons. Firstly, she thinks the existence of a document that she obtained from the internet, dated 10 November 2020, shows that Prudential's merger notification could or should have been sent to her at this time.

Secondly, she believes that, had they communicated to her via electronic means, rather than by airmail post, it would have allowed her to halt the process of taking her benefits from two particular policies when she did (X264 and U848), allowing her to keep these and benefit from future bonuses that the merger would have provided for.

So, I've looked at the chronology of events that took place leading up to when Ms N took her benefits from these policies. I've also looked at the relevant dates relating to the SAIF merger and considered the dates on which Ms N received notification about this.

I think the key dates are as follows:

- 22/07/2020: Ms N approached Prudential, asking to be sent the relevant paperwork allowing her to begin the process of accessing the funds in her pensions.
- 18/08/2020: The date Ms N had originally chosen as her retirement date in relation to her Prudential policies – her 55th birthday.
- 07/09/2020: Having received Ms N's instructions, the investments within her policies were sold to cash.

- 13/10/2020: Ms N signed payment instructions for the values under these policies to be paid to her bank account, as a lump sum (after deduction of applicable tax).
- 05/11/2020: Hearing before the Court of Session in Edinburgh, in which an Order was made consenting to the proposed SAIF merger. The Order also required Prudential to write to all “SAIF policyholders” to advise of the merger before 31 December 2020.
- 11/11/2020: Prudential sent Ms N a statement detailing the value of her plans, confirming the funds had been paid into her bank account. To note, the value was identical to that calculated when the funds were sold to cash, two months previously.
- 13/11/2020: An entry was published in ‘The Gazette’ (Edinburgh edition), the official public record used to publish certain categories of legal information about the affairs of UK incorporated companies, providing details of the Order made on 05/11/2020. See the attached link: <https://www.thegazette.co.uk/notice/3670091>
- 22/12/2020: Prudential wrote to Ms N, to advise of the proposed SAIF merger with Prudential’s larger with-profits fund, anticipated to complete on 1 April 2021 (Ms N advises she didn’t receive this until 11/02/2021).

I’ve thought very carefully about what Ms N has told us, but I don’t think Prudential have done anything wrong here. I’ll explain why.

Prudential’s obligation to notify policyholders about the proposed merger

As indicated above, Prudential were obligated (under a Court direction), to write to all SAIF policyholders by 31 December 2020 to notify them about the proposed merger. They complied with that obligation. They wrote to Ms N on 22 December 2020.

Whilst I acknowledge that their letter was sent towards the end of the required notice period, it was nevertheless sent on time. As such, I can’t fairly conclude that Prudential did anything *wrong* by writing to Ms N when they did.

The earlier dated template letter that Ms N has provided

Ms N has provided us with a photographed copy of a template letter, dated 10 November 2020, which is similar in nature (although not an exact copy) to Prudential’s letter to her dated 22 December 2020. This template letter doesn’t contain any specific address details, or policy details. Ms N has advised that she located this ‘template’ letter from a general internet search some years later but can’t recall where precisely it was located (although does confirm that it wasn’t from Prudential’s own website).

She’s placed great importance on this ‘template’ letter. She’s said she presumed the date in the draft letter (10 November 2020) was a “*target date*” for Prudential to notify policyholders of the proposed merger, although hasn’t explained why she’s drawn that conclusion. She’s also said that Prudential have never disputed that this was the “target date” either.

I disagree with Ms N’s conclusions here. As explained, the information I’ve referred to above clearly shows that Prudential’s “target date” to write to policyholders was 31 December 2020. I’ve seen no evidence to suggest there was an earlier “target” date.

I also think it’s implausible that Prudential would have set a “target date” to write to all of the relevant SAIF policyholders on 10 November 2020. I say that conscious that their application to the Court to consent to the terms of the merger was only heard on 5 November 2020, leaving a mere three working days before the 10th to action any such notification.

Whilst the issue of the proposed merger would undoubtedly have been discussed at length within Prudential, and no doubt for many months prior, those discussions (or the intended outcome) would not have been made public until Prudential thought it appropriate to do so – after Court ratification. And so I also don’t think there would have been any opportunity to have notified any SAIF policyholders about the proposed merger before this either.

The process, and timeline, of Ms N taking benefits from these policies

I'm mindful that Ms N started the process of accessing her full pension benefits from these policies in the middle of 2020. Prudential received her signed instructions in this regard, and her policies were disinvested to cash. This all happened long before the merger 'exchanges' referred to above. And Ms N received the funds on 11 November 2020.

I think this date is important, because it is, coincidentally, only one day after the non-specific 'template' letter was dated. As I've said above, Ms N placed great importance on this template letter, and particularly its date. But its date was only one day prior to her funds having been paid to her. So, even if that 'template' letter was an example of a genuine letter that was designed to be sent to policyholders on that day – which, to repeat what I've said above, I don't think it was – I think it would still have left no time for Ms N to have halted the process of taking her benefits when she did.

The 'electronic' communication issue

I appreciate Ms N had raised concerns with Prudential about the delays in her receiving post, given she resided in the Far East. But I don't think that issue has had any material effect here, in the context of this complaint.

First of all, Prudential have explained that they are only able to use their online 'MyPru' account system to upload specific policy/policy-holder documents. And an information circular letter, of the type being discussed here, isn't one of those. They've confirmed they would have always sent such documents, to all relevant recipients, by post, which is what they did in relation to this 'merger' letter. And I can't criticise Prudential for what is, essentially, a business process issue.

Further, I can't fairly conclude that Prudential should have departed from that process, to upload some form of notification of the proposed SAIF merger to Ms N's 'MyPru' account, and hers alone, within a matter of days of the Court's SAIF-merger approval.

Conclusion

I appreciate that Ms N feels very strongly about what has happened here and will be disappointed with this outcome. I have no doubt about the strength of her feelings regarding this matter, and I acknowledge those.

However, for the reasons I've explained above, I haven't seen any evidence that suggests Prudential did anything wrong by sending Ms N the 'merger' letter when they did, on 22 December 2020. I've seen nothing that persuades me they should have notified her any earlier than this, and that the 'template' letter doesn't in any way provide evidence of Prudential's intentions (or indeed obligations) to notify her earlier than they did.

And, in any event, I think Ms N was sufficiently advanced in her application to take the full financial benefits of her relevant policies to have been able to halt that process by the time the SAIF merger process had been agreed by a Court and became capable of being shared publicly. Accordingly, I won't be asking Prudential to do anything further in this regard.

Distress and Inconvenience

Ms N has advised that she accepted all elements of our Investigator's View, save for that addressed above. Given his View included a recommendation that Prudential pay Ms N compensation of £150 in respect of the distress caused by some of their communications, I presume she agrees to this sum. Prudential also agreed to our Investigator's View, in full.

It's not clear whether that sum has been paid to Ms N, and so, for the avoidance of doubt, I require Prudential to pay that sum to Ms N, within 14 days of being advised of her acceptance of that award, if not already done.

My final decision

I uphold Ms N's complaint about The Prudential Assurance Company Ltd, and require them to pay her £150 compensation for distress and inconvenience caused, unless already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 8 October 2025.

Mark Evans
Ombudsman