

The complaint

Mr and Mrs G complain about The Prudential Assurance Company Limited (Prudential).

They're unhappy about the performance of their investment.

What happened

In October 1996, Mr and Mrs G invested £10,000 in a Prudential With-Profits plan with a term of 28 years, due to mature in October 2024.

The investment was placed in Prudential's With-Profits fund. The fund invested in a broad mix of assets in the UK and overseas, including equities, property, bonds and cash. According to Prudential, its aim was to provide returns reflecting the performance of the underlying assets, while smoothing some of the short-term highs and lows of investment markets.

By 2001, the plan value had increased to approximately £14,600. Mr and Mrs G then began taking withdrawals which continued for many years until 2023.

In March 2023, Prudential wrote to Mr and Mrs G to explain that taking a further regular withdrawal would reduce the plan value below £1,000, which was the minimum required to keep the plan in force.

The letter also set out the three available options. Mr and Mrs G chose to stop withdrawals and leave the remaining funds invested in the With-Profits plan.

In October 2024, the annual statement showed that since the withdrawals had stopped, the plan value had increased by £32.27. There was insufficient value remaining to sustain further £80 monthly withdrawals while maintaining the £1,000 minimum. As a result, the plan was encashed and £1,122.97 was paid to Mr and Mrs G on 30 October 2024.

Mr and Mrs G were dissatisfied that the investment had not grown as they had expected. They say that it should not have reduced to that level. In due course they complained to Prudential.

Prudential didn't uphold the complaint. In its Final Response Letter dated 15 November 2024 and another FRL dated 30 June 2025, it said, in summary:

- The With-Profits plan didn't provide guaranteed growth, so its value could rise or fall.
- The values quoted were correct and reflected the performance of the With-Profits fund and bonuses declared.
- The March 2023 letter did not guarantee growth; it explained the consequences of continuing withdrawals and set out the available options.

One of our investigators considered the complaint but didn't think it should be upheld. In summary, he said:

- Investment performance alone was not generally something our service could uphold a complaint about, unless there had been a guarantee or specific misrepresentation.
- There was no evidence Prudential guaranteed any rate of return.
- Mr and Mrs G chose to stop withdrawals in March 2023; this decision was not accompanied by any promise of growth.
- While the investment's growth after that point was modest, that did not in itself show Prudential had done anything wrong.

Mr and Mrs G disagreed with the investigator's view and asked for an ombudsman's decision. In summary, Mr G made the following submissions:

- A family member had taken out what he believed was the same type of policy and received a higher return and was compensated when it did not meet an expected amount.
- Based on that, he believed his own investment should have grown to around £22,000 over 10 years and continued to grow while providing £80 a month income.
- He also referred to another investment he held elsewhere which paid a monthly income but also retained capital.

The investigator having considered the additional points, wasn't persuaded to change his view.

As no agreement was reached, the complaint was referred to me for 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 the investigator's conclusions for much the same reasons. I'm not going to uphold this complaint. On the face of the evidence, and on balance, despite what Mr and Mrs G say, I'm unable to safely say that the Prudential has done anything wrong with regards to the performance of their With-Profits plan.

Before explaining why, I'd like to thank the parties for their patience while this matter awaited review by an ombudsman, given the current demand for our service.

I also want to acknowledge the strength of feeling Mr and Mrs G have about this matter. They've provided submissions, which I've read and considered carefully. I hope they won't take the fact that my findings focus on what I consider to be the central issues, rather than addressing every point in detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised. I don't need to comment on each one to reach a decision. My role is to consider the evidence presented by Mr and Mrs G and Prudential, and reach an independent, fair and reasonable outcome.

It seems to me that Mr and Mrs G's complaint is primarily about the performance of the investment. Our service isn't able to consider investment performance alone as a cause for complaint. Investment values depend on market conditions that a business can't predict or control, and investments can go up or down.

In other words, our service does not generally uphold complaints simply because an investment has not performed as well as a consumer had hoped. Investments linked to financial markets can rise and fall in value. Unless a business gave a guarantee, made a

specific promise about returns, or did something wrong in managing or administering the investment, disappointing performance alone is not usually enough to uphold a complaint.

In this case, I've seen no evidence that Prudential guaranteed a particular rate of return or a minimum maturity value. With-Profits plans typically declare bonuses based on fund performance, but those bonuses aren't guaranteed in advance unless specifically stated. I've seen no evidence that such a guarantee was given to Mr and Mrs G.

I note that the investment grew strongly in its early years between 1996 and 2001. However, past performance also doesn't guarantee future returns. Market conditions – over a nearly 30-year period – will inevitably vary. This doesn't mean the business has done anything wrong.

I also considered the events in March 2023. Prudential's letter to Mr and Mrs G explained that a further withdrawal would reduce the value below £1,000 and set out the available options. It did not include projected growth figures or assurances about how much the plan would increase if withdrawals stopped. Mr and Mrs G chose to stop withdrawals, they did so of their own volition, without any advice or guidance from Prudential. Moreover, I've seen no evidence that Prudential advised them that doing so would result in any particular level of growth.

I'm aware of Mr G's comparison with his mother-in-law's policy and another investment he held. But it's important to note that different products - even if broadly similar - can have different terms, guarantees, charging structures, investment dates and market exposures. I've seen no evidence that Mr and Mrs G's With-Profits plan included a guaranteed maturity value like the arrangement Mr G described in his relative's case. Nor did I see evidence that Prudential made any commitment to top up the plan if a certain value was not reached.

In the circumstances I don't think Prudential is responsible for paying the difference between what Mr and Mrs G received and what Mr G thought they should receive. The fact that other investments performed better does not, of itself, demonstrate that Prudential acted incorrectly in this case.

I've also considered whether there was evidence that the plan had been unsuitable at the point of sale, for example, because it did not match Mr and Mrs G's attitude to risk or financial objectives. However, this complaint was raised many years after the sale, and I wasn't provided with evidence suggesting that the advice given in 1996 was unsuitable or that incorrect or misleading information was provided at that time.

It seems to me that the plan increased in value in its early years and then provided a regular income for a significant period. Over time, withdrawals reduced capital, particularly when investment growth was modest. By 2023, the remaining value was such that continuing withdrawals would have reduced the plan below its minimum level.

I understand Mr and Mrs G's disappointment that, after stopping withdrawals, the plan value increased by only £32.27 before encashment. However, based on the evidence I've seen, that reflected the performance of the underlying investments during that period rather than any administrative error or failing by Prudential.

Overall, I've not seen any evidence that Prudential:

- guaranteed a specific return,
- misrepresented how the With-Profits plan would perform,
- administered the policy incorrectly, or
- failed to follow the plan's terms and conditions.

In the absence of such evidence, and despite what Mr G says, I'm unable to conclude that Prudential acted unfairly or unreasonably.

The lack of growth appears to be a direct result of broader market conditions rather than any professional failing on the Prudential's part. So, based on the available evidence, and on balance, I'm unable to uphold this complaint and give them what they want.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 24 March 2026.

Dara Islam
Ombudsman