

## **The complaint**

Mr W complains that some valuations The Prudential Assurance Company Limited provided to him for his pension savings, around the time he was planning to take his benefits, were greatly overstated.

## **What happened**

Mr W held pension savings with Prudential. In August 2024 Mr W was issued an “options pack” by Prudential providing him with an estimate of the pension benefits that would be available to him from his plan. Mr W says that he made irrevocable decisions on the basis of the information Prudential had sent him, including resigning from his job.

In November 2024 Mr W’s financial advisor got in touch with Prudential to query whether the valuation Mr W had received was correct. Prudential issued a new options pack to Mr W around ten days later. But that pack also contained an incorrect valuation. Prudential sent a further options pack to Mr W, showing the correct valuation, four days later. Mr W then transferred his pension benefits to a new plan. He complained to Prudential about the change in the value of his pension benefits.

Prudential accepted that it had provided incorrect information to Mr W. It paid him some interest to reflect the delays that had been caused in his pension benefits being transferred. And it paid Mr W £150 for the inconvenience he’d been caused. Later Prudential paid some additional compensation of £350 (making a total payment of £500) for Mr W’s inconvenience. Unhappy with that outcome Mr W brought his complaint to us.

Mr W’s complaint has been assessed by one of our investigators. He noted that the incorrect valuations sent to Mr W had warned him that the values shown were not guaranteed. So he didn’t think Mr W had any entitlement to receive the incorrect amounts that had been shown. The investigator thought that the compensation Prudential had paid to Mr W – for the delay to his benefits being paid, and his inconvenience – was fair. So the investigator didn’t think Prudential needed to do anything more.

Mr W didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## **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 the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr W and by Prudential. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words,

I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead, this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

There is no dispute that, on two separate occasions, Mr W was given incorrect information by Prudential about the value of his pension savings. Prudential has confirmed that it had undertaken an IT systems upgrade that had introduced some errors into its benefit calculations. Those errors were present in the valuations sent to Mr W in August and November 2024. But they were corrected in the third valuation that was sent later in November 2024.

Mr W has told us that he is satisfied with what Prudential did in relation to the delays caused to him taking his pension benefits. So, what I need to consider in this decision is whether Mr W lost out as a result of the incorrect information he was given, on two occasions, about the value of his pension benefits.

Prudential sent Mr W annual statements showing the value of his pension benefits. I think it would be useful to detail the overall values given to Mr W over the past few years;

- March 2022 - £142,602.58
- March 2023 - £161,218.24
- March 2024 - £170,768.21

Those values showed that Mr W's pension savings with Prudential had grown by around 13% and 6% over the previous two years. So, I think he might have been surprised when he received a valuation from Prudential showing that, in just under five months, his pension savings had grown by more than 42% to £242,975.92. It seems that Mr W's financial advisor had concerns about whether the information Prudential had provided was correct when he spoke with the firm at the end of October 2024.

Each of the valuations that Prudential sent to Mr W, whether the annual statements or the valuations in the options pack, warned him that the values shown were not guaranteed. Mr W's pension savings were invested in Prudential's with-profits fund, and whilst the design of the fund acts to smooth out changes in its value that doesn't mean the fund is isolated from any large market falls when bonus rates might need to be changed, or market value reductions reassessed.

Mr W reached 55 years of age at the end of September 2024. He wasn't able to take his pension benefits until then at the earliest. So, there was an inherent risk in making any irrevocable decisions until Prudential had confirmed to him the guaranteed value of his pension savings. I'm not persuaded that I have seen sufficient evidence to suggest that any decisions Mr W made were solely predicated on a pension benefit value that might have appeared, even to his own financial advisor, to be incorrect. There was little reason, given the general movements in the financial markets at that time, to suggest his pension savings would have enjoyed such a significant uplift in their value over such a short period of time.

As I explained above, any redress that I direct would be intended to place Mr W back into the position he would have been had nothing gone wrong. In that regard I am satisfied that Prudential has now fairly calculated the value of Mr W's pension benefits. So I don't think it would be fair or reasonable for him to receive the inflated value that Prudential calculated in error. And for the reasons I have set out above I don't think it would be fair to conclude that it was reasonable for Mr W to make irrevocable decisions on the basis of information Prudential told him was not guaranteed, and that he couldn't act upon for at least another five weeks.

There is little doubt that Mr W is entitled to feel disappointed in how Prudential has treated him. It wouldn't be unreasonable to expect a regulated firm to take care to ensure that information it distributes to its customers is accurate. Mr W will have suffered some distress and inconvenience both in the delays to his pension benefits being paid and his disappointment when the lower value was confirmed.

As I said earlier Prudential has already paid £500 compensation to Mr W in respect of the distress and inconvenience he was caused. Having thought carefully about what has happened, and the awards I have previously made in circumstances similar to these, I am satisfied that the compensation Prudential has paid to Mr W is fair and reasonable. So I am not going to direct any further compensation be paid.

I appreciate how disappointing this decision will be for Mr W. But I am satisfied that the pension benefits Prudential has paid to him are a fair reflection of the value of his pension savings. And I am not persuaded that it would have been reasonable for Mr W to make irrevocable decisions on the basis of the information he had been sent – the values were not guaranteed, there was some time before he could access his pension benefits, and it does seem his financial advisor concluded that an error had likely been made.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 February 2026.

Paul Reilly  
**Ombudsman**