

complaint

Mr M complains that The Prudential Assurance Company Limited (“Prudential”) failed to provide him with the ongoing advice service that he was paying for.

background

In 2016 Mr M and his wife met with Prudential to discuss releasing some funds from his Prudential pension scheme on an annual basis to help fund their ongoing expenditure. Following that meeting Prudential agreed to facilitate the withdrawal of some of the fund in the form of an Uncrystallised Funds Pension Lump Sum (UFPLS). And Mr M agreed to move the remainder of his pension to a Prudential Retirement Account. Mr M also agreed to pay an additional charge for what was termed Prudential’s Ongoing Advice Service (OAS).

Mr M says that he expected this service to provide him with an annual review of his account, including a visit from his advisor to discuss any changes to his circumstances. When, towards the first anniversary of this agreement, the review hadn’t been arranged Mr M contacted Prudential and asked for the service to be cancelled.

When Mr M complained to Prudential it didn’t accept his complaint. But it did offer him an annual review free of charge in light of the payments he’d made of the Ongoing Advice Charge (OAC) for almost a year. Mr M didn’t accept that offer and brought his complaint to this Service.

Mr M’s complaint has been assessed by one of our investigators. He thought that Mr M’s complaint should be upheld. So he asked Prudential to refund the OAC charges that Mr M had paid.

Prudential 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. If Mr M accepts my decision it is legally binding on both parties.

my findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. I’ve also taken into account the law, any relevant regulatory rules and good industry practice at the time.

Mr M has told us that he is happy with the advice he received in terms of his Retirement Account and the growth that account has achieved over the first year. So I don’t need to consider the advice he received before he opened that account. My decision will solely focus on the OAS that was sold to Mr M.

Prudential has given us a copy of the brochure that it says was provided to Mr M when he agreed to take the OAS. Within that brochure, the key components of the Service are detailed. These are described as;

- ***A regular personal financial review***
A core aspect of the ongoing service is a regular review of your investments. We will recommend and agree with you how often your investments should be reviewed based on your financial situation. At the review we’ll take you through how your investments are performing and answer any questions you have. We will also discuss any changes to your personal circumstances and check to see if your plan is still appropriate for you. We will use

this information to recommend any changes required to keep your plan on track. We will contact you around the time of your review to arrange an appointment.

- **An annual financial planning report**

As one of our ongoing service clients, you will also receive a financial planning report each year. This report shows the value of your products, useful market commentary and information about your products (for example where your funds are invested). This means that even if you don't receive a financial review every year you will always have an annual picture of the progress of your investments.

- **Keeping you informed**

There is a huge amount of complex financial information published daily and it can be difficult to identify and understand what is relevant to you. So, from time to time your adviser may email you updates that could be of interest to you. In order to receive this part of the service it is important that you provide us with an email address.

- **On-going access to your dedicated adviser**

No-one knows when they will need further advice and it can be reassuring to know that you have access to your adviser when you need them. Your adviser will provide you with their contact details, so whether you have a simple question or a change in your circumstances you'd like to discuss, you can contact them whenever you need.

The review frequency that Mr M had agreed was annually – cheaper plans provided reviews every two or three years. So he had an expectation that he'd be contacted around a year after his investment had started to arrange his review appointment. Prudential has confirmed that his annual review date was logged as 2 November 2016. But it also says that its internal service standards allow for this review to be conducted within 60 days (either before or after) of the review date.

I don't think this window of 120 days is referenced at all in the documentation. So I can understand Mr M's disappointment when the review hadn't been arranged in good time for the anniversary of his account commencing.

When Mr M cancelled his OAS on 30 October 2017 this was before the anniversary of his account being opened. So I wouldn't expect him to have received the annual financial planning report referenced above. I think this would only be produced as at the anniversary date, and perhaps would even be provided to Mr M at his financial review meeting.

The service also offered Mr M ongoing access to his dedicated adviser. When Mr M cancelled his OAS he was given the name of his adviser. This was different to the person who had originally provided the advice to Mr M. He was later told that his original adviser had left Prudential. So it seems to me that Mr M didn't have access to his dedicated adviser – it would not have been unreasonable to expect Prudential to advise Mr M of this change, and make arrangements for, at the very least, revised contact details to be provided.

I accept that ultimately Mr M didn't feel the need to contact his advisor during the year. And I'm sure that had he done so after his advisor had left he would have been directed to the replacement advisor. But even so, I think Mr M has grounds to feel let down by this part of the OAS too.

Mr M paid his OAC for one year. He says that the statement he received from Prudential towards the end of that year showed he had paid £519.38. I cannot see that Mr M has received anything from Prudential in respect of that service. I don't think it was made sufficiently clear when his review meeting would be arranged. And Prudential changed his "dedicated adviser" at some point during the year without telling him. So I think it is reasonable that Prudential refunds all the amounts that Mr M has paid for the OAS.

putting things right

I don't think that Prudential has provided the advertised Ongoing Advice Service to Mr M. So Prudential should;

- Refund each of the charges Mr M has paid for this service.
- Add simple interest to each of these amounts from the date they were paid to the date of settlement. An equivalent annual rate reflecting the growth of Mr M's Retirement Account from it opening to the OAS being cancelled on 30 October 2017 should be used*

*HM Revenue & Customs requires Prudential to take off tax from this interest. Prudential must give Mr M a certificate showing how much tax it's taken off if he asks for one.

my final decision

My final decision is that I uphold Mr M's complaint and direct The Prudential Assurance Company Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 June 2018.

Paul Reilly
ombudsman