

complaint

Mr P complains that his pension pot with The Prudential Assurance Company Limited (Prudential) fell significantly in value over a short period of time.

background

In January 2018 Prudential wrote to Mr P. It explained that it was closing the fund his pension pot was invested in. It said it would move Mr P's pension pot to a different fund with a similar risk profile in March 2018. It also provided details of the new fund.

Having reviewed the information about the new fund Mr P wrote to Prudential in February 2018. He said that he wanted to move to a fund with a lower risk profile. Prudential sent Mr P a form to complete for the fund switch he had requested.

In a letter to Mr P, dated 6 February 2018, Prudential set out that the current value of his pension pot was approximately £87,461. Under the heading 'Your pension value' the letter said:

All fund values provided are approximate figures and subject to change.

On 16 March 2018 the fund Mr P had been invested in was closed. Mr P's pension pot was valued at approximately £82,478 on 16 March. This amount was transferred to a different fund, in-line with Prudential's letter to Mr P in January 2018.

On 26 March 2018 Prudential received Mr P's transfer request form and his pension was moved to a cash fund, in-line with his instruction. Unfortunately the value of the fund Mr P was invested in had fallen and the Mr P's pension pot was worth approximately £77,815. This amount was transferred to the cash fund.

In April 2018 Mr P complained to Prudential about the fall in the value of his pension pot.

Prudential explained that the reason for the drop in the value of Mr P's pension pot was due to the performance of the funds he was invested in. It explained that the value was not guaranteed and could change from day to day. It said:

We cannot guarantee your value will always grow as it depends on the performance of the fund.

It also paid Mr P £50 for failing to respond to the first letter Mr P had sent in April 2018.

Mr P wasn't satisfied with the response he received from Prudential and brought his complaint to this service.

Our investigator didn't recommend that Mr P's complaint should be upheld. She said that although she could see that Mr P's pension pot had fallen in value she couldn't reasonably hold Prudential responsible for fluctuations in the value of the funds Mr P had been invested in. She also noted that in a letter to Mr P setting out the value of his pension pot Prudential had explained:

The value of your plan can go down as well as up and you may get back less than you put in.

She said she felt the £50 Prudential had paid Mr P for failing to reply to the first letter he sent in April 2018 was fair and reasonable.

Mr P didn't accept our investigator's view. In summary he made the following points:

- he felt the *'large percentage changes in my pension pot value - at the same time on both occasions that the funds were being transferred - is surely odd.'*
- Mr P said he had been contributing to this pension for 11 years and this was the first time it had fallen in value so significantly.
- Mr P asked what the track record was for the funds he was invested in, before and after the dated he had switched funds.
- Mr P also asked if Prudential should have *'... advised me that I should wait before transferring to the Cash fund - to allow time for the investment to recover from short term losses. Or at least give me the facts and options at that time, so I could make an informed decision on the second transfer to the Cash fund.'*
- Mr P said he felt that Prudential should have *'...some responsibility to act in an advisory role if the funds that are being transferred into, are not performing as expected'*
- He said he felt that their figures had been *'plucked out of thin air and I have to accept this.'*

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 am sympathetic to Mr P's position and I have carefully considered everything that has been said and provided. Having done so, I don't think Prudential has done anything wrong. I'll explain why.

It is always disappointing when an investment doesn't perform as well as hoped. And I can understand Mr P's concern.

Mr P has said he feels the fund values were *'plucked out of thin air'* and he has asked for information on the track records of the funds he was invested in.

In its letter to Mr P dated January 2018 Prudential gave a link to its fund performance information. It said:

More information on all the types of assets, including our full range of funds can be found in your fund guide pru.co.uk...

I have reviewed the fund information available on Prudential's website. It shows that the funds Mr P was invested in fell in value in early 2018. I am satisfied the value of Mr P's pension pot when he switched funds was correct and based the unit price at the time of the switch. Mr P may wish to review the fund information available on Prudential's website to satisfy himself that this is the case. He will also be able to see the longer term performance of the funds.

Mr P says he feels Prudential should have *'... advised me that I should wait before transferring to the Cash fund - to allow time for the investment to recover from short term losses. Or at least give me the facts and options at that time, so I could make an informed decision on the second transfer to the Cash fund.'*

I appreciate Mr P's position, but I must take into account that he didn't ask for advice on whether (or when) he should switch to the Cash fund. I must also take into account that Prudential had told Mr P how he could access up to date information on the fund performance. And I note that in its letter to Mr P dated 15 February 2018 Prudential provided its contact details and said:

If you've got any questions, or if there's anything we can do to help, please get in touch.

In view of this I think Mr P could have accessed information on the performance of the fund he was invested in before he told Prudential to switch his pension pot to its Cash fund.

Mr P says he feels Prudential should have '*...some responsibility to act in an advisory role if the funds that are being transferred into, are not performing as expected?*' I understand Mr P's position, but there was no requirement on Prudential to '*act in an advisory role*'. Mr P didn't ask for advice on whether to switch to the Cash fund. I can't reasonably say that Prudential should have offered to advise Mr P on whether to go ahead with the switch.

I appreciate that this is not the response Mr P was hoping for. But, having reviewed the information available I am satisfied that the fund values were correct and I can't reasonably say that Prudential should have offered to advise Mr P on whether to go ahead with the fund switch he had instructed it to carry out.

my final decision

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 December 2018.

Suzannah Stuart
ombudsman