

Summary and background to complaint

Mr V has complained about the performance of his endowment policy as the proceeds have fallen short of the target amount. Mr V feels that The Prudential Assurance Company Limited have mismanaged his plan.

background

This complaint was considered by one of our adjudicators; she did not believe the complaint should be upheld as there was insufficient evidence to show that the business had mismanaged Mr V's plan. She explained that assumed rates of return had fallen since the plan had been taken out.

The adjudicator did however say that Prudential did not send Mr V the 'maturity pack' when it said it would and as a result it offered £50 for the distress and inconvenience this caused.

Mr V disagreed with our adjudicator's decision and asked for his case to be considered by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Firstly I would note that Prudential did not give the advice to take out this policy and so are not responsible for its suitability for Mr V's circumstances. I do not know if Mr V has raised concerns with the party that advised him but he may wish to do that if he feels he was misled about what the plan would provide.

I can appreciate why Mr V is concerned about this plan, but unhappiness with the performance of an investment is not something that would usually amount to a valid complaint. Investments generally speaking yield uncertain amounts and anticipated returns might never materialise. It is for such reasons that our DISP rules expressly provide (at 3.3.4R(13)) that:

The ombudsman may dismiss a complaint without considering its merits if he considers that it is a complaint about investment performance.

A lack of hoped for performance is not in itself evidence that a fund was negligently managed or inherently unsuitable for the customer. The management of an investment calls for making decisions about, for example, the future economic situation. Making a decision that turns out to be wrong or less beneficial is not necessarily proof of negligence and the situation should not be viewed with hindsight.

Having considered the complaint, I have come to the same conclusions as the adjudicator and for much the same reasons. I have not found that Mr V was given a guarantee by Prudential that the returns projected at outset would be achieved. In the absence of that I have not seen evidence that the investment was mismanaged by Prudential.

I can understand Mr V's disappointment with the policy, but I regret that I have seen nothing to suggest that Prudential acted incorrectly in this case.

my final decision

My final decision is that I do not uphold Mr V's complaint about the performance of his policy or that Prudential have mismanaged his plan.

I do agree with the adjudicator that there has been a delay and The Prudential Assurance Company Limited should pay Mr V £50 for distress and inconvenience. Mr V can contact The Prudential Assurance Company Limited directly should he wish to accept the offer or contact the adjudicator who can arrange this for him.

David Bird
ombudsman