

complaint

Mr T complained because The Prudential Assurance Company Limited (Prudential) failed to add bonuses to his plan. Mr T doesn't think Prudential's offer to make this right is enough.

background

Prudential failed to apply rebates, called loyalty bonuses to Mr T's plan from May 2004. Prudential realised this when they did an internal review and let Mr T know in March 2014. Mr T had transferred his plan to another provider in August 2013 and went into a draw-down arrangement.

When Prudential identified their mistake to Mr T they offered him £4,090. This was for the loss of £4,042 up to the point of transfer. And a further assessed amount for after the transfer. A number of different ways to accept the offer were provided.

Mr T sent some queries about the offer to the firm. And there was some delay in replying. So Prudential went on to pay Mr T a sum to apologize for this. Mr T has not accepted Prudential's offer to make good his loss for the bonus payments. Prudential explained to Mr T how they did the different calculations and amounts. They explained Mr T had been offered the higher sum identified and applied interest. Prudential had also asked Mr T for the authority to contact the other provider. Prudential had explained they wanted to get information on his fund- so they could assess an exact loss figure.

The adjudicator contacted the other provider and asked them to calculate Mr T's loss. They took a long time to do this. But they provided a figure and have since confirmed this has been checked and it's correct. The new provider's calculation gave Mr T's loss as being a total of £3,796. This reflects the value that Mr T's fund would have been at 24 June 2015 if the extra amount Prudential provided had been transferred with the rest of the plan in August 2013.

The adjudicator rejected Mr T's complaint because:

- The offer already made by Prudential is reasonable and is higher than the new provider's loss figure.
- The calculation carried out by the new provider had been able to take account of actual investment fluctuations and plan activity since the plan started with them.

Mr T didn't agree. He raised a number of concerns with the accuracy and approach of the new provider's calculations. Prudential have offered to make good any further loss if it's discovered that the new provider did make a mistake with their calculations.

Prudential have offered an increase in the interest rate to be applied.

my findings

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 have come to the same conclusion as the adjudicator, and for broadly the same reasons.

I think Prudential's offer is fair in the circumstances. I understand Mr T's frustration as this complaint has gone on for some time. But much of this delay has not been the fault of

Prudential. And I can also understand why Mr T was worried when he found out that bonuses hadn't been paid into his plan when they should have been for a number of years. This must make it harder for Mr T to trust that Prudential's offer is a fair one. But that doesn't make their offer wrong.

Prudential made their offer when they wrote to Mr T to let him know they had failed to pay bonuses to his plan when they were due. They went on to provide the further details of their calculations when asked to.

Prudential gave the benefit of their two calculations to Mr T and offered the higher figure. This figure is also moderately higher than the amount provided by Mr T's new provider which took into account more accurate information.

I think Mr T is likely to prefer the higher figure, and this offer is still available. Any concerns Mr T may have about his new provider are not part of this complaint.

Because Prudential have offered to review if there is any further loss if the current provider's calculations are wrong, I hope Mr T feels some assurance that he will not lose out. The date used by the current provider for their assessment was a random date and not chosen for any reason.

Prudential say they will pay Mr T interest on the original loss figure of 8%. Originally they had offered interest at Bank of England base rate plus 1%. And this will be paid up to the date the total amount is paid. I think this offer is very reasonable.

It is my intention to put Mr T in a position as close to the position he should be in if the mistake had not happened. And this will be achieved by Prudential making Mr T the payment they have offered.

my final decision

I uphold Mr T's complaint in part. The Prudential Assurance Company Limited should pay Mr T:

- The loss figure of £4,042.10.
- Simple interest is to be added to this figure at a rate of 8% gross a year. Up to the date the payment is made.

Under our rules, I'm required to ask Mr T to accept or reject my decision before 14 March 2016.

Louise Wilson
ombudsman