

complaint

Mr H is unhappy The Prudential Assurance Company Limited moved one of his pension plans into a cash fund in 2015. He's said that he wasn't aware this had happened, and he's lost out financially as a result.

background

In 2018 Mr H complained to Prudential after he realised his pension plan was invested in a cash fund. He said he didn't ask for his fund to be moved and he requested that any loss of growth in his fund be covered.

Prudential responded to the complaint and explained that the fund was switched to the cash fund in 2015. This was done as Mr H had been looking to access his pension and had requested a benefits pack.

Prudential said Mr H had been made aware that this was going to happen at the time. And it said that it explained that should he wish to switch the fund again, he'd need to let Prudential know. Prudential said it hadn't heard back from Mr H since that point.

Mr H was unhappy with this response so the complaint was referred to this service. Mr H also raised a new complaint point. He said he had two pension policies with Prudential but was unhappy the second plan had been set up as opposed to his funds being added to the first policy.

An investigator here reviewed the complaint but didn't think that Prudential had done anything wrong. In summary he said:

- Mr H had two pension policies with Prudential. In May 2015 he called to enquire about accessing one of these plans as a cash lump sum. But after receiving the benefits pack, he didn't complete the paperwork.
- During a telephone call between Mr H and Prudential, Mr H was informed that his fund would be moved to cash to preserve the valuation. And during this call he was told that should he want to re-invest the funds in the future, this can be requested via Prudential.
- Mr H continued to receive statements showing the pension was invested in a cash fund.
- Prudential had not been given the opportunity to respond to the complaint about how Mr H's plans were set up and so the merits of this complaint hadn't been considered.

Mr H didn't agree with the investigator. He said he didn't think it was made clear in correspondence that the funds had been transferred into cash. And he was unhappy that the investigator had only listened to one phone call between him and Prudential.

The investigator obtained a further two calls from Prudential and explained that having listened to them and reviewed the statements, his findings remained the same. The investigator said that Mr H was informed during a telephone call the funds would be moved to cash and that the documentation sent to Mr H did show the pension was held in cash.

As the matter couldn't be resolved the complaint has been passed to me to reach a final decision.

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 agree with the outcome the investigator reached, and for mostly the same reasons. I'll explain why.

I've listened to the telephone calls provided between Mr H and Prudential. And, whilst I appreciate Mr H may not recall what was discussed, during one of the calls the Prudential representative explained to him that his fund would be switched to cash.

The representative said that this was being done to safeguard the value and it was in line with the terms and conditions of the policy. It was also explained that once that switch had been made it couldn't be cancelled. And the representative said that Mr H would need to call back if he wanted to switch back to the funds he was in previously. It appears that Mr H acknowledged what the representative had said by saying 'okay' at the end of the explanation.

Prudential also sent Mr H a Personal Pension Quotation shortly after the calls, on 25 May 2015. This made it clear that the funds had been switched to cash and why that was. It said:

*"we have switched the units under policies numbered *** and *** into the cash fund under the terms of the policy rules. This allows us to guarantee the benefits available."*

Prudential has since confirmed that this letter contained an error as only one of the plans was switched to cash, the plan Mr H was intending to access. And that plan remained in that fund because it never received an instruction from Mr H to switch the funds out of cash.

I've also considered the statements that Mr H was sent annually after the fund was switched to cash. I appreciate that he doesn't think these are clear as he didn't know what "Ex Cash A" meant. But I think it was clear from these statements that one of his plans was invested across a range of funds and 100% of the other plan was in the "Ex cash A" fund. So I think this, along with what he'd previously been told about the fund being moved to cash, ought to have alerted him to the fact that his plan was invested in a cash fund.

I do appreciate how strongly Mr H feels about this matter. But I can only ask Prudential to do something to put matters right if I think it's made a mistake. However, having considered what's happened, I can't say that it has.

Finally, I understand that Mr H is concerned with the way in which his second policy was set up. Looking at the application details, I can't see that Prudential provided any advice in the arrangement of this plan. So any concerns regarding the sale should be referred to the party that arranged for the plan to be set up.

It's worth noting that Prudential's terms and conditions do state that a separate plan would be required because a plan receiving regular contributions couldn't then receive a transfer-in; a new plan would need to be set up for that. So I don't think Prudential made a mistake when setting the second plan up. And, it was the responsibility of the business that sold Mr H the plan to explain this to him.

For the reasons I've explained, I don't think that Prudential have treated Mr H unfairly so I'm not upholding the complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 July 2020.

Lorna Goulding
ombudsman