

## **complaint**

Mr M and Mrs M complain about two policies sold to them in 1992 for which the Prudential Assurance Company Limited is now the product provider. Their complaint is, in summary, that costs and charges (and increases in them) have contributed to the policies failing to meet their original target amounts. Mr M and Mrs M want the charges refunded.

## **background**

Mr M and Mrs M have complained to the business about this and related issues for some time now (at least ten years). The business explained how the charges were allowed for in the contract entered into between the parties. It explained how the policies were sold by a third party business for which this business is not responsible. Making sure the policies were suitable and that the way they worked was explained (including the costs involved) was the other business' responsibility.

Mr M and Mrs M were unhappy with the responses and came to us. One of our investigators looked at the complaint. She, in effect, agreed with the business. Explaining how the policy worked was not this business' job. The charges were explained in the paperwork produced and formed part of the contract entered into. She didn't think the business was at fault here.

Mr M and Mrs M disagreed and asked for an Ombudsman's decision. I have been asked to look at the complaint.

## **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 don't uphold this complaint. I understand this will disappoint Mr M and Mrs M. I will explain why I have come to my decision.

A business is entitled to charge for its services. The contract entered into expressly allows for charges and costs to be paid out of the fund or funds involved. It is not for me to look at how much those costs are. There are market and competitive forces (especially when these policies were taken out) which would be applied when the charges were assessed. The way the business conducts itself is regulated by the regulator (now the Financial Conduct Authority) not ourselves.

This is slightly complicated by the fact that this business didn't sell the policies. That means as has already been explained, the selling business was responsible for the sale not this one. That included explaining about the costs and ensuring Mr M and Mrs M made informed decisions and understood what they were buying. To put it another way I can't hold business "A" responsible for what business "B" did (or should have done).

I have looked at the responses of the business. It has explained what the contract says about charges and how they have been applied. I can see nothing in those responses which is unusual or different from what I would expect. The commission payments made to the original advisor again is common from the time and what the business would be expected to do. I can see the business stopped paying that commission when asked. Any queries about the commission should be directed to the selling business.

I will not consider whether the costs and charges are "reasonable". That is not for me to say. The business can levy those charges as it has been explained. The business hasn't got

anything wrong here that I can see. Poor investment performance and increasing costs are not things I will look at.

**my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 18 August 2017.

Mike Boyall  
**ombudsman**