

complaint

Mr F has complained about the performance of his endowment policy as the proceeds have fallen short of the target amount. He feels that The Prudential Assurance Company Limited have mismanaged his investment. He has also said that he was not informed he could withdraw his money (surrender his plan) during the term and he has not been able to obtain the maturity value because it was offered 'in full and final settlement'.

background

An adjudicator investigated Mr F's complaint but did not uphold it. He felt there was insufficient evidence to show that the business had mismanaged Mr F's plan and that the option to surrender the plan was contained in the product literature.

Mr F did not agree and therefore the complaint has been referred to me for review.

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 F's circumstances. I do not know if Mr F 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.

Mr F has mentioned that he was advised verbally that the plan would pay out the amount required. He has not said who advised him of this but I have not seen any evidence that Prudential did so and it would be unlikely, given it is only the product provider and not the party that advised Mr F, that its employees would have had any conversations with him when the plan was taken out.

I can appreciate why Mr F 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 an investment decision that turns out to be 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 F 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. The plan did

not fall short of the target amount by an excessive margin and a shortfall was always possible with this type of plan.

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

As to cashing-in the plan; the ability to surrender the plan is contained within the product literature and Prudential could have confirmed this was possible if Mr F had contacted it.

I cannot therefore uphold this point of complaint.

I understand that payment of the value of the plan was delayed by a month or so because Mr F sought confirmation that acceptance of it would not prevent him from bringing a complaint to this service. When asked, The Prudential confirmed that it would not, so I cannot say it prevented the settlement value being paid or unreasonably delayed it.

my final decision

My final decision is that I do not uphold Mr F's complaint.

David Bird
ombudsman