

## **complaint**

Mr B decided to transfer his pension to The Prudential Assurance Company Limited in 2016. However there was a delay in investing the funds which caused a financial loss. Prudential made an offer but Mr B does not believe this fairly compensates him. And he does not believe Prudential justified its offer. Mr B is also concerned about the lack of communication from Prudential over a considerable period of time.

## **background**

Mr B transferred his pension funds to Prudential in December 2016. And on 18 January it confirmed that his uncrystallised funds (about £3,000) had been invested in Mr B's chosen investment fund. However there was no information about the much larger amount of crystallized funds (about £320,000). Mr B followed this up in January 2017 and says he was told that the situation would be rectified shortly.

In early February 2017 Mr B contacted Prudential again and was told that his crystallised funds had not been invested. Mr B's financial adviser then lodged a complaint with Prudential. Having not heard anything Mr B also lodged a complaint with Prudential on 14 February 2017.

On 9 March 2017 Prudential responded to Mr B's complaint. It addressed the service Mr B had received but not the lack of investment of the crystallized funds. Mr B queried this and received a further response from Prudential on 21 March 2017. Prudential said that it had received the transfer money on 23 December 2016 and was looking into whether any redress should be paid because of any delay in investing the funds. This was confirmed to be ongoing in a further Prudential letter of April 2017.

On 23 May 2017 Prudential again confirmed that Mr B's transfer was part of a wider review that had not been concluded yet.

On 23 June 2017 Prudential wrote to Mr B to say it had now reviewed what had happened and had calculated the number of units Mr B would have had the investment proceeded on time. It said that Mr B was due about £2,700 in compensation. It did not explain how this had been calculated.

Mr B responded to that letter on 29 June 2017 requesting further detail. As of the date of his referral to this service in September 2017 Mr B had not received a response to that letter.

An adjudicator at this service considered the complaint. She thought that Prudential, by calculating what Mr B's funds would have been worth had they been invested on time, had put matters right. She also thought that the sum offered for the inconvenience and upset caused was appropriate.

Mr B did not agree and said that the dates Prudential was using to calculate redress were incorrect. He also said that the sum for inconvenience and upset was inadequate.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Prudential has said that the investment of Mr B's pension funds was delayed and has calculated what loss it believes has been caused. The issue to be resolved is whether this does put matters right.

What Prudential did was to compare Mr B's chosen investment fund's unit prices, which he obtained for uncrystallised and crystallised funds when they were actually invested in 2017, with the unit price he should have obtained in December 2016 (had the investment not been delayed). The unit price was less on 29 December 2016. So Mr B would have purchased more units on 29 December 2016. This consequently means that Mr B would have had a higher value if his funds had been invested on time. This was calculated at just over £2,700. Given the information Prudential has supplied I have no reason to believe this has not been calculated correctly.

However Mr B has concerns about the investment date being used.

Prudential has confirmed that the pension funds were available for investment on 23 December 2016. Mr B has queried that but I would mention here that Prudential did not actually receive the funds until 22 December 2016 and it took a day for them to clear. Whilst Prudential was aware of the approximate split between crystallised and uncrystallised funds before that point it had to confirm the exact split before investment, which is not unreasonable. I do not believe the funds should be deemed to have been available for investment prior to 23 December 2016.

Prudential's terms state that it will then invest the money given to it within three business days. Given the Christmas period that followed, the third working day is 29 December 2016. Mr B disputes that date should be used in the redress calculation because the funds could have been invested in any one of the three business days following 23 December 2016. That is possible but the material issue is whether it is unreasonable for Prudential to use the third business day for the redress calculation. I do not believe it is – my view is that is not incorrect or unreasonable so as to mean I should direct Prudential to use another date.

I have also considered the inconvenience and upset caused by Prudential's lack of timely communication with Mr B and the lack of information he received as to the issues with his pension funds being invested. It is clear that Mr B did not receive a reasonable level of service and that a compensation payment is warranted. Along with the fact that Mr B would have been concerned as to whether his pension funds had been invested he also did not receive timely answers to some of his queries. However I do believe Prudential's offer is reasonable. I realise that this is far less than Mr B believes he should be paid but this service does not make punitive awards and £300 is in line with awards this service makes for inconvenience and upset. Such payments are not determined by the amount of money involved – although I appreciate that the greater the sum the greater the worry can be. It is also not the case that a previous offer is simply increased because there are further issues – it is what is reasonable overall.

**my final decision**

I believe what Prudential has offered in resolution of the complaint is fair and reasonable in the circumstances. So I do not uphold the complaint or make any further award. It is for Mr B to now decide whether he wishes to accept Prudential's offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 January 2019.

David Bird  
**ombudsman**