

## **complaint**

Mr C complains that the cash fund lost value. He says The Prudential Assurance Company Limited (“the firm”) gave misleading information. They did not warn of investment risk and said returns would be the same as for a deposit account.

## **background**

I issued a provisional decision. I said the complaint could not be upheld because:

- Mr C has not provided the information he relied on when investing in the cash fund.
- The firm provided a factsheet and performance report. These set out the strategy and Annual Management Charge (“AMC”) for the fund.
- The strategy was to provide returns consistent with interest bearing deposit accounts and/or short term UK government bonds. This strategy may or may not be realised. It depended on returns from the underlying assets.
- The fund invested in low risk assets but is still exposed to investment risk.
- The AMC of 1% is in the unit price.
- Low interest rates produce low returns. This, with the AMC, caused the fall in value.
- If Mr C was unable to provide further evidence my decision would assume the firm’s documents were relied on by him.

Mr C did not accept my provisional decision.

He said the documents were irrelevant. They were published after he invested. But he did not question the firm’s confirmation that this information, in the same format, would have been available when he invested.

He said the firm have not produced any evidence to rebut his claim that he was misled. So his complaint should be upheld.

The adjudicator sent Mr C another document from when he invested. It set out the strategy of the fund. It said the AMC was 1%. Mr C insisted the fund should match returns from deposit accounts or government bonds. He should have been warned of investment risk.

The firm accepted my provisional decision.

## **my findings**

I have considered all the evidence and arguments to decide a fair and reasonable outcome.

Mr C has not provided the information he says misled him. But as the firm have been unable to prove that he was *not* misled he says his complaint should stand. Equally though, he has not been able to show he *was* misled. So, I base my decision on the available evidence.

The firm provided information in a form they say was available when Mr C invested. And a review document published shortly before then.

These said the strategy was to provide returns consistent with interest bearing deposits or government bonds. An AMC would apply. However, they did *not* say the fund was a deposit account.

Mr C insists the strategy of the fund means it is the same as a deposit account. He says that when he invested returns from deposit accounts were up to 2.5%. So the fund should not have lost value even after the AMC.

But Mr C was not in a deposit account or government bond. There was no guarantee the strategy to provide the same returns would be successful. Investment risk was apparent because the fund had unit prices. The unit price moved with investment returns. If these were lower than the AMC then the unit price would fall. That is the case here.

Mr C says he was not warned of this risk. But there is a risk warning on page 2 of the investment report. It says that fund values may fluctuate and are not guaranteed. It says what an investor gets back depends on the fund chosen and how it performs.

There is a lack of evidence to show Mr C was misled. In my opinion, the available evidence, if relied on by Mr C, was not misleading. If misled by information from other sources, it would be unreasonable to hold the firm to account for this.

### **my final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 20 July 2015.

Terry Connor  
**ombudsman**