

The complaint

Mr P complained about The Prudential Assurance Company Limited (Prudential). He said it delayed removing protection that he had on a fund he was invested in.

Mr P said it should pay the charges from when his adviser requested this be removed. He said Prudential had caused him distress and inconvenience and it should pay him compensation for this too.

What happened

In 2017, Mr P invested £70,000 in a fund managed by Prudential. He was recommended to do this by his financial adviser. Mr P said they also discussed market conditions and agreed that he pay extra to protect his investment. So, Mr P decided to pay extra in charges, so that a certain sum was guaranteed by Prudential.

Mr P said he reviewed his investment in 2022 with his adviser and they agreed that Mr P should remove the protection provided on the fund to save on charges. He said they felt 1.5% additional fees were not that stage needed and that Mr P's investment had grown well so the protection was no longer needed. Off the back of this conversation, Mr P asked his adviser to contact Prudential and ask it to remove the protection on the fund.

Mr P said his adviser sent an email to Prudential on 27 May 2022 asking for protection to be removed from his fund. He said that several months later, in February 2023 he noticed on his statement that it had not been taken off and he was still being charged for it.

Mr P said his adviser told him he had received a letter from Prudential advising that the protection couldn't be removed. It said Mr P could switch from the fund he was invested in with protection, into the same fund but without protection. Mr P said his adviser sent a switch form on 16 March 2023 and a day later the switch took place.

Mr P said he received his statement in May 2023, and this shows the protection was removed and he received a refund of charges for it but only going back to 4 January 2023 and not 27 May 2022 when it was requested by his adviser. Mr P said he should receive the charges back to the original date of 27 May 2022 when the adviser asked for it to be done. He complained to Prudential about this.

Prudential said in response that it followed its processes correctly and in line with the terms and conditions of the fund.

Prudential said Mr P's financial adviser contacted it on 27 May 2022 and emailed his request to remove the protection element from Mr P's investment. It said it wasn't then until August 2022 that this email was then forwarded to the right department and then responded to properly. Prudential said sorry for this and offered to back date his guarantee charge and also pay £100 compensation for what it said was a delay caused by it here.

Prudential said it sent letters to Mr P's financial adviser in August 2022 and February 2023 advising that a fund switch was required, and that Mr P needed to submit a switch form. It

said when it received the switch form it then actioned it straight away. It said it was unable to uphold Mr P's complaint from August 2022 onwards as it had done nothing wrong.

Mr P was not happy with Prudential's response and referred his complaint to our service.

An investigator looked into Mr P's complaint. He said what Prudential had done to date was fair and reasonable. He didn't think it needed to do anything further. He said there was a delay initially but then Prudential sent a letter in August 2022 advising that a switch needed to take place. He said Prudential has provided compensation for the initial delay and offered a payment for distress and inconvenience. He said it didn't need to do anything more.

Mr P is not in agreement with the investigator's view. He said Prudential's account manager believed a switch fund was not required. He said the account manager asked for clarification but did not receive it, preventing him from advising Mr P and his adviser about the switch form until February 2023.

Mr P said he should not lose money because the Prudential account manager provided his adviser with the incorrect process to follow.

Mr P said Prudential were responsible to ensure the letter was received by him and his adviser in August 2022 and it's Prudential's fault that they didn't. He said anyone can write a letter and put the right address on it – but that does not prove it has actually been sent. He said Prudential has no proof that the letter was physically mailed.

The parties are still not in agreement about Mr P's complaint. So, it has been passed to me, an ombudsman, to look into.

What I've decided – and why

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

I have independently reviewed Mr P's complaint and have arrived at the same outcome as the investigator for largely the same reasons. I will explain why:

- I have read the email sent by Mr P's adviser to an account manager at Prudential. He sent the email on 27 May 2022, and he asked if the guarantee charge could be taken off Mr P's funds.
- Prudential has since explained that this is not how it works. Mr P had invested his money in a fund that had a guarantee charge built into it and that it can't just be turned off. I have looked into this and can see that, there are two separate funds: one with guarantee protection built in and then another 'standard' fund without this feature. Prudential said that to not pay the additional guarantee charge, Mr P would need to switch his funds into the 'standard' fund. It said this has been the process for years.
- Mr P on the other hand, has made several points about how the account manager from Prudential had told his adviser something different, and they were of the understanding that they could send an email to him and turn the guarantee charge off.
- It is clear from looking at what both parties have said that there was a misunderstanding from the outset about the guarantee charge and how it all worked. Prudential has explained to our service about how it works and bearing in mind that

there are two distinct separate funds: one with a guarantee charge and one without this feature – it seems clear to me that what Prudential has explained is correct. That Mr P was fully invested in the fund with the guarantee charge and to not have that feature, he needed to switch over to the standard fund. It was never the case that he could just turn it off.

- That said, Mr P and his adviser were not aware of this initially and were not informed by the account manager from Prudential that they needed to complete a fund switch form when the adviser sent his request in on 27 May 2022. At this stage, Mr P would've expected that the guarantee charge be taken off after his adviser had done this.
- Prudential then said its account manager held onto the request and didn't forward it on until 18 August 2022. Again, I think there would have still been an expectation here from Mr P and his adviser that their request had been dealt with. Up to this point they had not been told what they needed to do by Prudential, to switch the funds, or how it all worked.
- Prudential has said sorry for the delay caused in it responding to Mr P and his adviser's request up to this point. It said it caused a delay of 52 working days, and it should have responded quicker to Mr P's adviser's request. It has paid compensation for this. It has said sorry for the initial delay and paid compensation for the number of days its staff sat on the request and didn't move it forward. I agree that it is responsible for this and think its offer of compensation is fair and reasonable.
- Prudential said it sent a letter to Mr P's adviser dated 22 August 2022, explaining that they need to submit a fund switch form. Mr P said this letter was not received by his adviser. Mr P has made several comments about this letter, including that it is Prudential's responsibility that they didn't receive the letter. He said anyone can write a letter and put the correct address on it but that doesn't mean it has been sent. Mr P said Prudential has no proof that the letter was physically mailed.
- I acknowledge the points Mr P has made in this regard, but I don't agree with some of them. I have seen a copy of the letter Prudential said it sent. It does have the right address on it and is dated 22 August 2022. I am satisfied that Prudential drafted a letter at that time and intended to send it to Mr P's adviser. Mr P has made a few comments that Prudential didn't send the letter. But on balance, I can't see why it wouldn't do that. I find it more likely than not that it did send the letter. It seems more likely to me that the letter was sent after it had been created, the address added and then was dated by Prudential. On balance, that seems the most likely scenario to me.
- Mr P's adviser said they didn't receive the letter. So, it is possible that the letter was mislaid in the post. But I don't agree with Mr P when he said Prudential are responsible for this. I don't think it would be fair and reasonable for me to conclude that Prudential would be ultimately responsible for its letters that I have concluded it sent, being misplaced by a third party.
- On balance, I am persuaded Prudential informed Mr P's adviser in a letter on 22 August 2022 about how to carry out the switch of his funds. Because of this, I don't hold it responsible for what followed, this being a lengthy period from August 2022 to February 2022 of inaction. During this time Mr P and his adviser mistakenly thought the funds didn't have any guarantee built in and lower fees. It wasn't until February

2023 when Mr P received his statement that he could see that he was still paying the guarantee charge.

- Mr P said on 26 March 2023 after some discussions between the parties, his adviser found the switch form on Prudential's website and sent it in and a day later Prudential carried out the switch.
- Mr P said he received a statement in May 2023 and could see that the guarantee charge had been removed and this had been backdated to 4 January 2023 and not when he originally put in the request on 27 May 2022. He said he didn't understand this, and this is the basis of his complaint. He wants Prudential to backdate the fee removal to the date his adviser first put in a request for this to happen.
- I don't think what Mr P is asking for would be fair. This is because I have concluded it was more likely than not Prudential sent a letter to Mr P's adviser in August 2022 to inform them that they needed to complete and send in a switch form.
- Prudential removed the Guarantee charge up to 4 January 2023 because it recognised that its account manager had held onto the original request and didn't pass it on to the right department. So, it agreed to back date removal of the fee by 52 working days. This took Mr P back to 4 January 2023. I think what it has done here and the reasons why to be fair and reasonable.
- Finally, Prudential has offered Mr P £100 for what it said was the trouble and upset it caused by initially not dealing with his request. Again, I think this offer is broadly fair. I can see that it has already back dated Mr P's charges removal and it has already sent a cheque for £100. So, as I agree that its offer is fair and reasonable and as I haven't made any findings that it needs to do any more, it follows that I don't uphold Mr P's complaint.

I appreciate that my decision will be disappointing for Mr P, and I acknowledge the strength of his feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't uphold his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 April 2024.

Mark Richardson
Ombudsman