

The complaint

Mr T and Mr T as trustees ('the trustees') of the Trust complain that The Prudential Assurance Company Limited didn't complete a partial withdrawal in 2022. And that it didn't honour its commitment to pay any monetary loss.

What happened

The trustees sent Prudential a partial withdrawal form in July 2022. Prudential wrote to the trustees telling them that they needed to provide identification documents to allow the partial withdrawal to be made. The trustees say they never received this letter.

When the trustees chased Prudential to see what was happening with the withdrawal, Prudential said it required identification to allow the withdrawal to proceed. The trustees complained. Prudential accepted that if it had used alternative means to contact the trustees, it's likely the withdrawal wouldn't have been delayed. Prudential paid the trustees £175 for the inconvenience this had caused them. In addition, Prudential said it would review the case in 30 days and if the withdrawal proceeded it would calculate any monetary loss the delay may have caused.

When Prudential received the identification documents, the value of the investment had fallen. The withdrawal instructions previously provided were invalid as one of the remaining fund values had fallen below the minimum amount. Prudential emailed the trustees to ask for further instructions. The trustees sent new instructions to an email address that wasn't monitored by Prudential. In 2023, the trustees complained that the withdrawal hadn't taken place. Prudential said this was because it hadn't received further instructions and it had cancelled the withdrawal. Prudential said it didn't feel it was appropriate to calculate any loss as the withdrawal hadn't happened.

The trustees brought the complaint to the Financial Ombudsman Service where one of our Investigators looked into things. The Investigator thought the trustees of the Trust had provided a new instruction to Prudential on 19 September 2022, albeit to an unmonitored email address. The investigator thought Prudential should honour its original offer of covering any monetary loss – if the trustees wished to proceed with the withdrawal.

Prudential says that the trustees missed the 60-day deadline it provided in its email of 15 September 2022 and didn't make contact again until 2023. Prudential asked that an Ombudsman decides the complaint.

As I reached a significantly different outcome to our Investigator, I decided to issue a provisional decision and ask the trustees and Prudential to provide any further comments or evidence. In my provisional decision I said:

“Prudential has already accepted it could have communicated with the trustees more efficiently than it did, and that this caused some delay in the initial withdrawal completing. Indeed, Prudential paid the trustees £175 for the inconvenience this caused them. In its offer to the trustees Prudential said it would review the case again in 30 days and, if the withdrawal proceeded, it would calculate any monetary loss caused by its actions. I intend

saying that it would be fair and reasonable for Prudential to have completed this calculation if the trustees had proceeded with the initial withdrawal by providing valid instructions. However, in this case, the initial withdrawal didn't proceed as Prudential didn't receive further valid instructions from the trustees.

Prudential received the identification documents it required to complete the initial withdrawal on 14 September. When it started the withdrawal process, Prudential realised the instructions the trustees had provided relied on the balance of the withdrawal (after the specific funds they requested to be sold) being taken from another specific fund. As the amount required to make up the withdrawal would have taken this fund below the minimum of £500 required within the investment plan, Prudential emailed the trustees to ask for further instructions.

The email Prudential sent to the trustees explained why the previous instructions were no longer valid and explained that the trustees needed to provide new instructions. The email went on to explain how these instructions could be provided and contained a specific instruction to the trustees that they shouldn't respond to the email address from which the email had been sent – as it wasn't monitored. Although the trustees say this wasn't clear enough, I intend saying that the position, the font, and the highlighting of this instruction was such that a reasonable person would have seen this. Within the same email, Prudential clearly explained which email address the trustees should respond to – this was included in the "How to get in touch with us" section of the email. The email also explained to the trustees that if Prudential didn't receive any response within 60 days it would assume the initial withdrawal was no longer required and close the file. So, I intend saying Prudential's offer was time limited and that the trustees would have been aware of this.

The trustees say they responded to Prudential in September by replying to the email they'd received. That may be the case, but the email more likely than not went to the unmonitored email address Prudential referred to in its email. Although the trustees say they didn't receive a response, Prudential has provided a copy of the email that is automatically sent if an email is received in the unmonitored account. I can't say whether the trustees read this email as it may have gone to a 'spam' inbox, but it seems more likely than not that an email telling the trustee that the account was unmonitored was sent automatically at the time.

The evidence provided by the trustees and Prudential supports that there was no further correspondence regarding the withdrawal between 19 September 2022 and March 2023.

When the trustees contacted Prudential in March 2023, they asked for the initial withdrawal to be completed, with compensation for any monetary loss. Prudential dealt with this as a complaint. Prudential again accepted it initially could have done things better than it did. However, Prudential didn't think it would be fair and reasonable for it to pay any further remedy – in this case to make up any monetary loss, if there was any. Prudential said that as it didn't receive a response within 60 days, it was reasonable for it to assume the trustees no longer wanted to continue with the initial withdrawal request and closed the claim file. Prudential said the trustees would need to submit a new withdrawal instruction and supporting documents.

I intend saying that it was reasonable for Prudential to assume the trustees had decided not to proceed with the initial withdrawal. There had been no further contact from the trustees or any request seeking to find out where the funds were if the withdrawal had completed. It's reasonable that after the trustees contacted Prudential in March 2023 Prudential asked for further instructions as the previous instructions were no longer valid - for the reasons I've already provided. Regardless of this, Prudential had previously emailed the trustees in September 2022 and explained, "It's important to send these requirements within 60 days from the date of receiving this letter; otherwise {you} may need to send a new claim form

along with the ID documents.”

In summary, I intend saying that had the trustees provided valid instructions to the email address Prudential provided, it's likely the withdrawal would have taken place before the 60-day time limit. If this had happened, I would have expected Prudential to review the withdrawal and assess if there was any monetary loss due to its contribution to the delay, and to compensate the Trust for this, if there was a loss. However, as Prudential didn't receive any further valid instructions – although I acknowledge they were sent to an unmonitored email address – I intend saying there is a break in causation here. In other words, the actions taken by the trustees in sending instructions as they did, meant that the initial withdrawal didn't complete. Although Prudential accepted its actions delayed the initial withdrawal, I intend saying that it would be unreasonable of me to decide that it was the actions of Prudential that caused the initial withdrawal to remain uncompleted. Prudential was awaiting instructions from the trustees. Prudential also made it clear to the trustees that its offer was conditional on the initial withdrawal request being completed within 60-days. So, I intend saying Prudential made it clear to the trustees the offer from Prudential wasn't open-ended. Because of this, I intend saying that it would be unfair and unreasonable for me to tell Prudential it should conduct a calculation of any monetary loss on any subsequent instructions it received after the 60-day time period expired.”

The trustees accepted that the timeline of events and most of my conclusions were acceptable. However, they asked that I consider Prudential's email of 15 September which had a “Reply” button to use. The trustees say they used this instead of going into their own email system, which doesn't have the same security as the Prudential system. The trustees also say that the reply button doesn't send the email to PrubondClaims@prudential.co.uk and that this supports Prudential didn't send an automatic response email.

Prudential said it had no further comments to my provisional decision.

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've carefully reviewed the comments the trustees provided to my provisional decision, but I'm satisfied I've already taken them into account. To be clear, I'm persuaded that the email Prudential sent the trustees on 15 September contained specific and clear instructions that the PrubondClaims@prudential.co.uk address was an unmonitored email address. Prudential went on to provide a specific email address for the trustees to respond to, along with other contact options. I've noted the comment from the trustees that the reply button on the 15 September email doesn't send the email to the PrubondClaims@prudential.co.uk address. However, the trustees provided a copy of the email they sent to Prudential on 19 September and this clearly shows it was sent to PrubondClaims@prudential.co.uk So, I'm persuaded Prudential more likely than not did issue an automatic response advising this email address is for outbound emails only and isn't monitored. Regardless of this, Prudential's communication about how the trustees should provide instructions were clearly explained in the “How to get in touch with us” section in it's email dated 15 September.

Having considered the additional comments provided by the trustees, I've decided to adopt my provisional decision as my final decision.

My final decision

For the reasons I've provided above, I've decided the remedy The Prudential Assurance Company Limited Prudential completed in August 2022 is a fair and reasonable one to

resolve the complaint and it doesn't need to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mr T as trustees of the Trust to accept or reject my decision before 8 July 2024.

Paul Lawton
Ombudsman