

The complaint

Mrs T has complained about Prudential Assurance Company Limited (Prudential). She has said that Prudential have been administering her Prudence Savings Account which was held in trust incorrectly for over 24 years.

What happened

Mrs T and her late husband took out a Prudence Savings Account with Prudential in 1997 which was placed into an absolute trust. Both Mrs T and her late husband were the donors with Mrs T's sister registered as the sole trustee.

Over the life of the trust Mrs T received regular statements, was able to administer the trust and had online access allowing her to monitor the account.

In September 2022 Prudential began sending statements to Mrs T's sister having previously only been sending statements to Mrs T since 1997. Around this time they removed Mrs T's online access and stopped allowing her to administer the plan.

Mrs T complained to Prudential about her loss of access, and it was explained that as the account was in trust they should only be issuing documents and allowing access to the trustee. Prudential acknowledged that they should not have sent Mrs T statements or allowed her online access for as long as they did and offered £375 for the distress and inconvenience caused.

Mrs T rejected the offer as she was not happy with Prudential's response and referred her complaint to our service. Our investigator thought this offer was a fair way to resolve the complaint and wrote to Mrs T endorsing Prudential's offer.

Mrs T did not accept our investigator's findings and has requested that her complaint is considered by an Ombudsman.

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.

As Prudential has confirmed that a mistake has been made, I do not feel it necessary to go in to how the mistake was caused. The outstanding issue, as I see it, on this complaint is whether the offer made by Prudential is fair to compensate Mrs T for the distress and inconvenience she may have experienced.

I have reviewed the trust document from 1997 and agree that Mrs T's sister is the sole trustee and therefore should have been the only person eligible to receive statements and administer the trust.

I have not seen any evidence from Prudential to suggest that Mrs T was given prior notice that her access to the trust would be getting removed. I believe this would have caused Mrs T considerable worry and inconvenience as this would have been an unexpected turn of events especially as she had been in control since the trust was set up.

In her letter to our service dated 9 May 2024 Mrs T confirms that she understands the workings of the trust. I agree that Prudential were required to restrict Mrs T's access, but their handling of the matter has been poor and the lack of communication surrounding the change could and should have been better.

I have considered the amount of compensation Prudential have offered being £375 for the distress and inconvenience caused to Mrs T. I appreciate that Mrs T does not feel that the amount offered is sufficient however it is in line with what our service would recommend and as such I am not asking Prudential to increase the amount it has already offered.

Prudential should now pay Mrs T the £375 if they have not already done so.

My final decision

My decision is that I do not uphold this complaint and I direct Prudential Assurance Company Limited to settle the complaint as they have previously agreed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 3 January 2025.

Rob Croucher
Ombudsman