

The complaint

Mr M is unhappy that The Prudential Assurance Company Limited (Prudential) mistakenly told him he would be receiving a lump sum and an uplift to his pension following a review it carried out. And once it realised its mistake, the compensation it has offered is too low.

Our investigator looked into the complaint and felt that the £800 offered by Prudential for the loss of expectation and distress caused was fair and reasonable in the circumstances.

The details of this complaint are well known to both parties, so I will not repeat them again here. Instead I will focus on giving the reasons for my decision.

My findings

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

Having done so, I'll explain my conclusions:

- I can completely understand why this has caused such upset to Mr M. Prudential hasn't covered itself in glory throughout the process. It made the initial error and then made an error in paying the compensation as well. However, the compensation it has paid is towards the higher end of awards for trouble and upset. So, I think it has recognised that its error has caused a lot of upset.
- Whilst I appreciate the compensation offered isn't comparable to what Mr M was told he was going to receive in extra benefits, it isn't required to be so.
- Had it done everything correctly in the first place, Mr M wouldn't have received anything from Prudential as no redress was actually due from the review. But he has suffered raised expectations and then had that taken away, plus the stress and upset this has all caused. The only way to put things right is to address this by putting a value to the mistake and the consequences this has had on Mr M.
- Whilst I appreciate the time that the review took might have been frustrating for Mr M, this was a review Prudential initiated (as directly by the regulator) and contacted him about. And before he received the result of the review, he wouldn't have known whether he would receive anything from the review.
- The time between Mr M's expectations of a substantial increase in payments plus a large lump sum and finding out that this was incorrect was approximately two weeks. And whilst I understand that Mr M and his wife quite reasonably made plans in their minds for this money, fortunately they hadn't actually spent this money when the mistake was realised. So they aren't financially worse off for this error.
- Mr M and his wife have my sympathy, I can only imagine how they must have felt in finding out this was a mistake. Whilst putting a price on this is obviously not an exact science, I do have guidelines which I have to consider when deciding what represents a fair and reasonable award. And having considered these, I think the offer made by Prudential is broadly in line with these guidelines. And so I won't be recommending any further award.

My final decision

My final decision is that I do not uphold Mr M's complaint about The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 July 2020.

Simon Hollingshead
Ombudsman