

The complaint

Mr I has complained about The Prudential Assurance Company Limited. He says that he was wrongly advised to transfer out of an occupational pension.

What happened

Prudential upheld Mr I's complaint and accepted the advice to transfer wasn't suitable for him. It offered compensation. Mr I didn't believe the calculations of his losses were correct. Prudential had calculated redress at £151,126 and offered this sum along with £4,000 towards the cost of financial advice. Mr I took advice and says that he was told the redress should be over £360,000.

Mr I highlighted specific areas where he felt the calculation was defective. Prudential responded, but Mr I wasn't satisfied and so he referred the complaint to this service.

An investigator considered the complaint. She explained the role of this service and said that we are not a calculation checking service. Although we can check for any obvious errors within the calculations, we don't have access to actuarial input on these calculations which are complex.

However, having considered Prudential's calculations, the investigator didn't see any obvious errors. She explained that this service would expect Prudential to calculate the redress using the Financial Conduct Authorities (FCA) rules and October 2017 guidance. This appeared to have been done and there was no evidence that Prudential had completed the loss calculation incorrectly.

Mr I didn't agree and said there were points outstanding. He asked for a decision from an ombudsman. Mr I prepared submissions for the ombudsman which were shared with Prudential. It responded, but Mr I still felt there were points which hadn't been addressed. It seems that there was further correspondence between Mr I and Prudential which this service wasn't party to. This led to Prudential making a revised calculation of loss and the redress offered increased to over £270,000.

Mr I accepted this offer along with a payment of £4,000 towards the cost of financial advice.

Mr I asked that an ombudsman should still consider the complaint. He explained that he had spent over 1000 hours on more than 80 pieces of correspondence to achieve this outcome.

Prudential said that it was normal to request that information is checked, when this is incorrect, or there is new information the calculation will be updated. The regulator's guidance had been followed, and it didn't believe there is any requirement to pay compensation to a consumer for the time they spend on their own case. The redress had also been increased by £4,000 to cover advice fees.

The investigator reiterated that calculations like these are complex and this service doesn't offer a checking service. It's not unusual for a calculation of this magnitude to require revisions.

The investigator also noted that Mr I had accepted Prudential's offer in full and final settlement, including an offer for the cost of advice. Therefore, she didn't think that it would be fair or reasonable for this service to make any further award. The complaint has, in effect, been settled and concluded.

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 agree with the investigator. This service cannot offer a calculation checking service for pension loss calculations like this one. We don't have access to actuarial services. It's also true that calculations like this are often revised. This can happen for several reasons, but especially when actual data replaces data that has relied on assumptions. Mr I has clearly been astute and ensured the his SERPS position was taken into account as well as the correct information on any early retirement factors. But equally, these are factors which often would require some input from the pension holder.

But the fundamental point here is that after the investigator gave a view, Mr I corresponded directly with Prudential and then agreed a settlement of his complaint. It's clear from the forms of acceptance that Mr I signed that the settlement was "full and final". It also included a payment towards the cost of advice.

As I understand things, Mr I doesn't ask that his pension losses or the calculations are reconsidered by this service in this decision, but he asks for some award to recognise the time he's spent on the issue. I do acknowledge that he must have spent a lot of time on this, but it's also true that calculations like this do require input from the consumer and will often need to be revised. It would be rare for the calculation to be right first time. I don't think Prudential can necessarily be criticised for that.

However, it seems to me that Mr I has reached a final settlement with Prudential. A concluded agreement has been reached. I don't think it would be fair or reasonable if I were to reopen the complaint and consider whether there should be any further award. I think Prudential was entitled to consider that this matter was closed when Mr I accepted its offer.

I do appreciate and recognise that Mr I will have spent time on this complaint, and I don't want to underestimate that. He does seem to have had a great deal of success in the efforts he's made, but I'm not minded to make an award for the reasons I've given.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 7 April 2021.

Keith Taylor
Ombudsman