

The complaint

Mr J has complained that The Prudential Assurance Company Limited couldn't process his income drawdown payment in time for the 2019/2020 tax year. The result of this will be a significantly increased tax bill.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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.

Mr J's main point of complaint is that Prudential prevented him from being able to receive an income drawdown payment in time for the 2019/2020 tax year. He says that this failure will cost him a lot in tax.

So what I have to decide is whether Prudential is responsible for Mr J being unable to withdraw the money in time.

Having considered the evidence, ultimately my view is that Mr J started the process too late and therefore didn't leave enough time for Prudential to carry out its requirements in time.

Mr J has said that Prudential should get more staff in at busy times, such as the end of the tax year. However, whilst I don't know what Prudential's staffing process is around this time, I don't think it's realistic to expect it to significantly increase its staffing capacity at certain times of the year. And even if it could, there are always going to be some requests that are made too late. And in this case Mr J made his enquiries very late in the day.

Mr J first contacted Prudential on the 26 March just five working days before the end of 2019/2020 tax year. The call handler explained that to take his first payment he'd need to have a call with Prudential's specialist team and they couldn't put him through at the time, as the lines were so busy. They said they'd arrange for a call back by the end of play the next day.

However, Prudential didn't stick to this commitment and Mr J didn't receive this call until the 31 March. And at this point he says he was told it would be too late to process in time. He says he was told that it could take 10 days to process the application and another five to make the payment.

Prudential have subsequently explained even if they had carried out the call-back when it said, its standard timescales for processing applications is five working days. And those five working days start from the receipt of all its paperwork, which would still need to have been sent to Mr J. And then signed and returned by him.

So I think it's clear that realistically it wasn't going to be possible for Mr J's payment to be made in the short timescale that he required. Prudential's five days also wasn't taking into account the fact that it was the busiest time of year. So I don't think Prudential's delay changed matters for Mr J, though it was poor customer service from Prudential not to stick to its call-back promise.

When Mr J complained he also raised other issues, he was understandably annoyed that Prudential hadn't stuck to the call-back commitment. He also hadn't received his annual statement which had been due in November 19. His fund value had dropped quite significantly and he was unable to access his plan on Prudential's website. Furthermore, Prudential had sent him feedback questionnaires whilst he was still awaiting the result of his complaint. Prudential paid Mr J £200 as compensation regarding the above.

So in regards to these complaint points, I need to decide whether an award of £200 is fair and reasonable in the circumstances.

Prudential should've stuck to its commitment to call Mr J back when it said it would. This wasn't good customer service. It also explained that it had a system issue that was preventing it from sending the annual statements, but this is a service it should be providing. And I can understand this would've been frustrating for Mr J. Whilst I understand Mr J might have been annoyed that he was emailed service questionnaires, I don't think this warrants much in the way of compensation as these can easily be ignored.

With regards to fund value reduction, Prudential has explained how the fund is priced and why the reduction occurred. But ultimately as with most investments, the price can go up or down and Mr J was aware of this risk. Prudential also explained that its website platform for accessing plans online, is not available for Mr J's particular product. But that it was looking into whether this could be added in future and it accepted it should be able to provide this to customers.

Having considered what Prudential was at fault for and the inconvenience caused to Mr J, I think the offer of £200 is fair and reasonable in the circumstances. Whilst making the phone call earlier, wouldn't have made any difference to Mr J's objective, it must have been frustrating not to receive what was promised. And the statement issue will have added to his frustration with Prudential. But I don't think this warrants a payment in excess of £200, So I don't think Prudential needs to do anymore to put things right.

I appreciate that Mr J will be disappointed with my decision but as I've explained above, Mr J started the process too late and this is the reason why he was unable to have the payment made in the 19/20 tax year. I understand the reasons why Mr J chose not to start the process earlier but I can't hold Prudential responsible for this.

My final decision

For the reasons explained above, I do not uphold Mr J's complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 January 2021.

Simon Hollingshead
Ombudsman