

## The complaint

Mr H complains that in 2012, The Prudential Assurance Company Limited gave him insufficient information about his annuity options. He says he's lost out financially as a result, as Prudential sold him a standard annuity, when he would've been entitled to an enhanced annuity.

## What happened

Mr H had a few personal pension policies with Prudential. Prudential wrote to Mr H on 15 August 2012 about these. The letter said:

*"Thank you for your telephone call received on 13 August. Here is your benefits package This includes:*

- *Cancellation Substitute*
- *Quotation*
- *Key Features*
- *Benefit Instruction Form."*

The letter was sent to the address Mr H was living at, at the time.

At the foot of the letter, it said a number of documents had been included, amongst these were the Benefits Package, Key features of Guaranteed Pension Annuity & Benefit Quotation. Prudential has referred to this pack of documents as Mr H's *"retirement pack"*.

The cover letter advised Mr H to read the Cancellation Substitute information. It gave some information about Guaranteed Annuity rates and signposted him to the enclosed leaflet about this. It told Mr H he could use the 'open market option' (OMO) and take his benefits through another provider. It recommended that he get in touch with a financial adviser to help decide on the most suitable choice for him. It asked him to confirm, if taking tax free cash, where the cheque should be sent to. It told him to fill in the 'receiving scheme' form if he was transferring his benefits and said that the retirement fund value mentioned in the quotation, was also his transfer value. It said it paid pension benefits monthly in advance. The cover letter made no reference to enhanced annuities.

The Cancellation Substitute information leaflet, dated 14 August 2012, said this about the OMO:

- *"This allows you to transfer your pension fund to another pension company which may mean that you are able to get better rates for setting up your person, or give you access to a wider range of pension options;*
- *Different pension companies will offer different rates for buying a pension, and different rates depending on the type of pension you choose;*
- *If you buy your pension with a company other than Prudential, the fund will be transferred to the other company".*

It also said this:

*“Do you know what your pensions options are?”*

- *Pension companies can offer a wide range of pension options to suit your circumstances*
- *The Key Features leaflet explains the options”*

The Key features of Guaranteed Pension Annuity enclosure (which I'll refer to as the “Key Features document”) referred the customer, under the heading - “How do you decide my income” to page 10 of the document. At page 10, under the part about factors which determine the amount of income, listed at the fourth bullet point, it said:

*“If you and/or your dependant (if you've chosen the Joint Life option) have a health and/or lifestyle related condition, you may qualify for an enhanced pension income, please see 'Can I get a higher income if I have a medical condition' on page 16 ”*

On page 16 it said:

*“You could qualify for a higher income if you and/or your dependant (if you've chosen the Joint-Life option) have a lifestyle and/or medical condition that could reduce your and/or your dependant's life expectancy This option is known as Enhanced Annuity terms.*

*To qualify for Enhanced Annuity terms your pension fund must be worth at least £10,000 after taking any tax-free cash”.*

It then listed the types of condition that might entitle the person to get a higher income. Included amongst this list were heart related conditions.

It said if the person felt they may be entitled to an enhanced annuity, to call on the number provided in the quotation pack or to speak to their financial adviser.

The Key Features document told the customer they could shop around and depending on the type of annuity and options they chose, they may be able to get a higher annuity elsewhere.

Mr H completed the options sheet he was sent in the retirement pack. There was no reference to an enhanced annuity amongst the options available. Mr H ticked the option to take:

*“Tax free cash taken and pension bought with Prudential, joint life pension.”*

A cheque for £18,452 was issued on 24 September 2012 in respect of the tax-free cash. A joint life pension annuity of £4,869 began on 1 September 2012. Mr H's pension fund after taking tax free cash, was worth more than £10,000.

Some years later, in October 2018, Prudential sent Mr H a letter telling him that the Financial Conduct Authority (FCA) had asked it to carry out a review to look at the information it had provided customers with when it sold them annuities.

Prudential wrote another letter to Mr H in May 2019, this time asking him for information to help Prudential complete their review of his case. The letter also explained a bit more about the review, saying:

*"The FCA wanted to establish if customers were provided with sufficient information about enhanced annuities before they purchased their annuity. In particular the FCA wanted to establish if customers were made aware that they could receive a higher income if they had certain medical or lifestyle conditions. This is known as an 'enhanced annuity'."*

The letter asked if Mr H was aware of enhanced annuities, and also about his health situation at the time he took his annuity. Mr H completed and returned the paperwork saying that in 2010, he'd had surgery on his heart. Mr H also said on the review form that he did not recall being advised in 2012, that he might have been eligible for an enhanced annuity with Prudential or another provider. Mrs H was also asked to provide information about any medical conditions or lifestyle conditions she had. She provided details of a medical condition.

Prudential wrote to Mr H on 28 June 2019 with the outcome of the review, saying:

*"Having reviewed the annuity sale you were made aware of the options available to you before purchasing the annuity. We will be closing the review as we have now completed our assessment. You don't need to do anything but if you would like to discuss the review then please get in touch."*

Mr H complained to Prudential about this. He stated he hadn't been told about the option of an enhanced annuity in 2012. He thought he'd lost out on a higher income and wanted Prudential to reconsider.

Prudential didn't uphold the complaint, and so Mr H referred it to this service.

In its final response, Prudential said that on 14 June 2019, Mr H signed its Additional Information form to say that he had relied on the information in the retirement pack to select his annuity. It said it had explained in the pack that he had the option to shop around and had provided the Key Features document and quotes for his reference. The Key Features document told him that he if he had a medical condition, he may be entitled to a higher income.

Prudential also said that the FCA had determined that Prudential's "standard packs" were compliant with their requirements.

One of our investigator's looked into Mr H's complaint, and concluded, in summary, that Mr H had been given enough information about enhanced annuities by Prudential to make a choice when he took out his annuity. Our investigator said as the annuity was taken on a 'non advised' basis, this meant that Mr H chose it himself, and Prudential only needed to describe the product fairly. He thought the illustrations and Key features document did this. He said, Mr H could've taken advice from an independent adviser, who would've inquired into his health, but he would've had to pay a fee to receive this advice.

Mr H didn't agree with our investigator's view and asked for his complaint to be referred to an ombudsman. He made the following representations, which I considered before issuing my provisional decision:

- Prudential's cover letter of 15 August 2012 made no reference to a "Key Facts" Document. It referred to "Key Features for Prudential Pension Annuities. They are not one in the same. An enhanced annuity option was never provided.
- Nowhere in the documents he received did it state he could get a higher income if he had a medical condition.

- The letter and documents however, did go into extraordinary detail regarding other things, including the Cancellation Substitute, Guaranteed Annuity Rates, Open Market Options, Tax Free Cash Options & Monthly payments being made in advance.
- The only important option, he could see, that was not mentioned was enhanced annuities. Considering a number of applicants would've suffered from some form of medical condition, this should have been given the same prominence as the other information provided.
- The investigator had incorrectly stated a Key Facts document was sent to Mr H, whereas this was not the case, and the letter from Prudential dated 15 August 2012, didn't say this.
- The investigator had been unclear about what documents were sent to Mr H at the time.

### ***provisional decision***

In July 2020, I issued a provisional decision on Mr H's complaint indicating that I was minded to uphold it. Prudential didn't agree. Mr H had nothing further to add. Mr H's complaint now comes back to me to reconsider.

Prudential said in response to my provisional decision, in summary:

- Mr H said he based his decision on the retirement pack only. The FCA said Prudential's packs were compliant;
- Prudential had not sent Mr H a wake up pack containing the "*getting ready to use your pension leaflet*" this was included with the pack sent on 15 August 2012;
- Mr H called on 13 August 2012, and said he was coming up to 65. It was now providing a call recording of this call. He wanted to know more about his three pension plans. It was agreed that it would send him some joint life quotes with the 25% tax free cash option. It explained that two of the policies had valuable Guaranteed Annuity Rates (GARs). It made him aware he could transfer the policies and obtain a better annuity on the Open Market (OMO). It was also suggested that he could contact his financial adviser;
- It did not class this call as a "*significant call*" during which it needed to go through all the options, including medical options. This was because Mr H was only asking for general information. He didn't make it aware he was going to be taking benefits. If Mr H had called back to discuss the quote pack – the call would've been classed as significant. Prudential does not agree that it was required to highlight the option of an enhanced annuity in the call with Mr H, on 13 August 2012.
- It sent Mr H the quotes. The pack contained the "*getting ready to use your pension leaflet*" and Key Features Document (KFD);
- The provisional decision says that the KFD only refers to an enhanced annuity on page 25. This is not correct. Page 3 of the KFD under '*How do you decide my income?*' refers to page 10 of the KFD where the factors which determine the amount of income are listed. The fourth bullet point states: '*If you and/or your dependant have a health and/or lifestyle related condition, you may qualify for an enhanced pension income, please see 'Can I get a higher income if I have a medical condition?*'
- The contents page also includes the heading '*Can I get a higher income if I have a medical condition?*' and refers to page 16 of the KFD where a detailed description of enhanced annuities, the types of qualifying conditions and an indication of the potential increase to the pension income is provided.

- Mr H had a valuable GAR on the policies that he vested. He would've lost these if he had requested enhanced quotations.
- It's unlikely that Mr H would have received a higher annuity based on his medical conditions on the open market.
- After receiving the pack Mr H did not call to clarify or request any further information but sent back the quotation asking to take a joint life annuity.

### **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.

Having done so, I am going to uphold Mr H's complaint. I'll explain why.

Prudential, it seems, didn't provide Mr H with any advice about his annuity options in 2012. However, it still needed to give him information that was *clear, fair and not misleading*, when it sold the annuity to him.

#### *Clear and fair information*

What I need to look at here, is whether Prudential gave Mr H enough clear and fair information about his options to enable him to make an informed choice when he purchased his annuity. If Mr H didn't read or take on board the information he was given, then that is another matter. But first off, I will look at the information about enhanced annuities Mr H was given at the time of sale. I will then compare that to what industry practice expected Prudential to provide Mr H with. Further, I will take into account the conclusions reached by the FCA as regards the fairness of Prudential's business practices at the relevant time, in so far as they relate to Mr H's situation.

#### *Retirement pack*

I've seen the cover letter dated 15 August 2012, and documents, Prudential said it sent Mr H, at the time of sale – referred to as his retirement pack.

Between them, the documents told Mr H about the OMO and that if he had a medical or lifestyle condition he may be entitled to an enhanced annuity. But, I note the cover letter didn't signpost Mr H to any particular documents concerning enhanced annuities. And the only document to cover enhanced annuities, within this pack, was the Key Features document. The Key Features document was a 25 page document.

I think Prudential has misread my provisional decision. I did *specifically* refer in my provisional decision to sections of the KFD about enhanced annuities that Prudential has flagged up in its response to my provisional decision and suggested I missed. For the avoidance of doubt, I have repeated what I said about the relevant sections of the KFD in this final decision, in exactly the same way as they were presented in my provisional decision.

Given the size of the KFD, the lack of signposting in the cover letter, and that there was no reference to enhanced annuities in the options sheet Mr H was sent following his phone call with Prudential, I think it's feasible that Mr H may not have noticed the information about enhanced annuities in the retirement pack he was sent.

I also can't know whether Mr H was sent the full pack of documents. He said, at first, he didn't receive the Key Features document. I think he at least received the letter, and some

of these documents. I say this because he completed at least one of the forms enclosed with the letter (the options sheet) and returned it to Prudential to take out the joint lives annuity.

And had some of the documents been missing, I think it was made sufficiently clear in the letter the documents that were meant to be enclosed. So, I think it was open to Mr H to contact Prudential to ask for copies to be sent, if any documents were missing. On balance, I think it more likely that the KFD was included with the cover letter and other documents sent. I could understand if Mr H didn't recall that, given the passage of time.

### *Getting ready to use your pension*

In its final response Prudential said that Mr H was also sent a document called "*Getting ready to use your pension*", which, it said, should've prompted Mr H to think about his options. I said in my provisional decision it was not clear to me when Mr H was sent this. I said, looking at the content of the document, I thought it was feasible it was sent prior to the phone call on 13 August 2012. I said that because it said in the document to call if the customer would like another quotation, on a different basis, for example a joint lives annuity. And looking at the internal note made by Prudential following that call, the outcome was that a joint lives quotation was to be sent to Mr H. Prudential said in its response to my provisional decision that this document was sent in the retirement pack. That may be the case. Although if so, I can't see that it was listed as an enclosure at the foot of the cover letter so Mr H could contact Prudential if it was missing.

The "*Getting ready to use your pension*" document made no reference to obtaining a different quotation due to medical or lifestyle conditions. So, whether it was received before the phone call on 13 August 2012, or afterwards, I don't see how this document would've prompted Mr H, as Prudential suggest, to ask about an enhanced annuity due to his or his wife's medical condition, *unless* he already knew this type of annuity existed.

### *phone call*

I said in my provisional decision I could see from the letter dated 15 August 2012, that Mr H called Prudential on 13 August. Following my provisional decision, Prudential has provided a copy of this call recording. I have listened to this. I can hear that Mr H called to obtain further information about all three of his pensions because he was going to be 65 the next day. He was reviewing his options for taking benefits. He said he had previously received correspondence from Prudential in June. I've not seen that correspondence. Mr H wanted to know the values of his pensions, to understand which pensions had GARs, to understand how taking tax free cash worked, what his policies were invested in, and he asked for an annuity quotation. The call handler asked somewhat into the conversation what "*type*" of quotation Mr H would like, the call handler having referred previously only to a single life annuity. Mr H unprompted said he would like a quotation on a joint lives basis on his two policies with GARs. Mr H asked the call handler to confirm that he didn't need to rush to take his benefits by tomorrow (his 65<sup>th</sup> birthday), and the call handler confirmed he didn't.

Prudential says that this call wasn't regarded by it as a "*significant call*" because Mr H was obtaining information only. But, having listened to the call, I think Mr H would've regarded it as a significant call. He was clearly collating information to make decisions about his retirement options. And I think that ought to have been clear to the call handler.

Prior to listening to the call, I'd only seen an internal record prepared by a member of Prudential's staff recording the outcome of that call. The internal note appeared to give the staff member the option to select yes or no responses to standard questions, relevant to

the conversation had. Information about Mr H's particular circumstances were recorded, for example, it gave his wife's particulars and said that a quote was to be provided taking maximum tax-free cash on a joint lives basis.

Nowhere on this internal record, could I see a place to insert a standard response about whether Mr H or Mrs H had any medical or lifestyle conditions, which may make them eligible for an enhanced annuity. Nor, was this question asked in any way during the call I listened to. Given that retirement quotations were being issued on the back of Mr H reaching his retirement age, I think this was highly relevant in terms of the type of annuity he may be entitled to and therefore any quotations to be issued. At the end of the internal document it asked for a quotation to be sent to Mr H by 13 August 2012.

It's now apparent that Prudential didn't ask Mr H during this call whether he or Mrs H had a medical or lifestyle condition or explain enhanced annuities to him, to give Mr H a chance to say he (and his wife) had a medical condition, and to ask for an enhanced annuity quote on that basis. Prudential says that it was not obliged to highlight the option of an enhanced annuity during this call, given the nature of the call. I think it could've done more to provide him with clear and fair information about his options other than asking what "type" of annuity quotation he wanted.

#### *Industry standards*

As a member of the Association of British Insurers (the 'ABI'), Prudential was expected to follow its guidance on best practice in relation to annuity sales.

#### *Good Practice Guide*

The ABI's "*Good Practice Guide: Improving customers' retirement experiences*" was published in July 2008.

The Guide stressed the importance of providing adequate information to customers in relation to enhanced annuities, encouraging providers to draw the customer's attention to product features and terms and conditions that may significantly affect benefits.

Under the Guide the provider should "*In quoting all available options draw the customer's attention in good time to particular options that may be to their advantage.*" It lists "*Enhanced/impaired*" as an annuity option to be explained to the customer".

I can't see that Prudential did this during the phone call on 13 August 2012.

The Good Practice Guide also provided a template cover letter for insurers to use in their packs. The suggested wording in relation to Enhanced Annuities was:

*"Do you have a recognised medical condition? Are you a smoker? If so, you may be able to buy an annuity that pays more because of these factors. They are known as 'enhanced' or 'impaired' annuities".*

I can't see that this template wording, or any wording relating to enhanced annuities, was included in the cover letter sent to Mr H with his retirement pack on 15 August 2012.

#### *Best Practice Guide for the Retirement Process*

In January 2011, the ABI published a '*Best Practice Guide for the Retirement Process*'. The guide was intended to:

*“help pension providers ensure their communications approaching retirement help customers to make the necessary decisions about their retirement income and encourage shopping around for the most appropriate and competitive retirement income product.”*

It expanded on the principles and rules set down in the *2008 Good Practice Guide*. The Guidance included that *‘Providers should encourage the customer to shop around for the most appropriate and competitive retirement income product’*. In relation to both Wake-up packs and Follow-up packs, it said these should:

- *“prominently highlight the benefits of shopping around and that different providers might offer a higher level of retirement income*
- *explain the range of annuity options and products available and their impact on retirement income, including the possibility of medical conditions or lifestyle choices leading to a higher level of retirement income through an enhanced annuity*
- *highlight that the provider might not offer the annuity options or product that best meets the customer’s needs*
- *encourage the customer to seek further advice and information about how to shop around (see useful links)*
- *explain to the customers how to shop around (see useful links)”*

In relation to bullet two above, I can’t see that the *“Getting ready to use your pension”* document, Prudential says it sent Mr H mentioned enhanced annuities on medical or lifestyle grounds.

The 2011 publication, also contained template material which it required providers to include in cover letters, including the following mandatory, prominent wording:

*“Please read this letter. This letter contains important information on how to make the most of your pension savings. It’s in your interest to read this letter and shop around - you may improve the income you receive in retirement. [...] Do you have a recognised medical condition? Are you a smoker? If so, you may be able to buy an annuity that pays more because of this. These options are known as an ‘enhanced’ or ‘impaired’ annuity.”*

The information about enhanced or impaired annuities was not contained in Mr H’s cover letter of 15 August 2012.

### *ABI Code*

In September 2011, the ABI announced its intention to introduce a mandatory Code of Conduct on Retirement Choices (the ‘ABI Code’). A consultation document and draft version of the ABI Code was published in December 2011 and the final version of the ABI Code was published in March 2012. It came into force in March 2013.

So, although this was being put together at the time Mr H was sent the letter and documents on 15 August 2012, and likely Prudential would’ve been aware of the development of it, it came into force afterwards. So, I haven’t taken this into account, when considering what was expected of Prudential at the time Mr H was sent his wake-up information and retirement pack in 2012.

Overall, looking at the information that Mr H was given by Prudential, it seems to me that Prudential didn't meet the industry standards expected at the time, in the ways I've identified above.

### *FCA review*

The FCA carried out a review into Prudential's business practices between 12 July 2008 and 30 September 2017, in relation to non-advised sales of annuities to existing customers who were approaching retirement and who may have been eligible for an enhanced annuity, or may have been eligible for a better rate on the open market for either a standard or enhanced annuity. Mr H's sale met these criteria.

The FCA concluded that:

- Prudential failed to pay due regard to the interests of its customers and to treat them fairly;
- Prudential used telephone calls to maximise sales to existing pension customers. However, Prudential failed to ensure that the documentation used by its call handlers was appropriate;
- Prior to 1 January 2013, Prudential also used large, sales-linked incentive schemes for call handlers and managers which increased the risk of inappropriate customer outcomes. These weaknesses in Prudential's systems and controls, combined with the complex nature of annuities, and the potential vulnerability of customers, led to some customers being treated unfairly and created a significant risk of consumer detriment; and
- Prudential failed to take reasonable care to have adequate systems in place to ensure that appropriate and timely information about retirement options was provided to customers during the course of sales calls.

It found that between 2010 and 2012, Prudential's call frameworks contained the following suggested wording regarding medical and lifestyle conditions:

*"Can I ask if you and your spouse/partner are in good health? If you have any illnesses or lifestyle conditions that may shorten your life expectancy we may offer an enhancement to your Income. Examples include certain types of cancer, diabetes, or High Blood Pressure. Do you think this would benefit you? (If so explain medical process)"*

As I've said above, Mr H wasn't asked a question like this, during the call he had with the call handler on 13 August 2012. He was only asked what "*type*" of annuity quotation he wanted.

Taking into account the findings of the FCA review, and looking at Mr H's individual circumstances, I can't see that Prudential treated Mr H fairly when it spoke to him on 13 August 2012.

### *Clear, fair and not misleading information*

I have taken into account that the FCA review noted, during the period 2008 to 2013, Prudential's retirement packs generally contained information about how the customer might be eligible for an enhanced annuity, and the advantages of it. Mr H's retirement pack did contain that information, although not in the covering letter.

But it noted, at paragraph 4.39 of the Final Notice imposing a sanction on Prudential, that many customers (like Mr H) also had telephone contact with a Prudential call handler, sometimes prompted by an information brochure. Mr H said he received correspondence from Prudential in June 2012, which had prompted him to call.

The FCA noted that customers were encouraged to contact Prudential to discuss their retirement options, as Mr H appeared to do here.

It said that if the customer told Prudential of their medical or lifestyle condition, Prudential would then send a medical questionnaire, to decide whether to offer an enhanced annuity. There was no discussion during the call on 13 August 2012 that might've prompted Mr H to understand he may be entitled to an enhanced annuity. Mr H said he was unaware he was eligible for an enhanced annuity, so it follows that he didn't pro-actively offer up information about his and his wife's medical conditions.

At paragraph 4.41 of the final notice, it said that although *"call handlers were expected to cover the subject of enhanced annuities during these conversations, the quality of call handler documentation dealing with this subject varied during the Relevant Period"*.

The final notice said at paragraph 4.37 that *"There was a risk that, if call handlers did not follow the frameworks, important information, particularly in relation to the eligibility for enhanced annuities and the options to shop around, might not be provided to the customer in a clear, fair and not misleading way."*

In Mr H's case, I now know what was discussed around annuity options during the call on 13 August 2012. I think the risk that the FCA identified above, materialised in Mr H's case.

Also, given that the quotation Mr H asked for was a joint lives quotation, this would've been the first time Mrs H's medical or lifestyle conditions became relevant – because her situation may have entitled them to an enhanced annuity. Mrs H also had a medical condition, and I can't see that this was discussed either.

I have looked specifically at the individual circumstances of Mr H's case, but have also taken on board the FCA's findings in relation to Prudential's business practices more generally around this time. Having done so, I think there were serious shortcomings in the information Mr H was given during that call.

I think had the call handler asked Mr H the type of question expected, according to Prudential's call frameworks, and good industry practice, likely Mr H would've told the call handler that he'd had surgery a couple of years before on his heart. He may also have told the handler about his wife's condition. As it was clear that Mr H was considering his retirement options during that phone call, I think his interaction with Prudential went beyond reliance on the retirement pack alone.

Mr H's quotation options in the retirement pack, were produced as a result of the phone call on the 13 August 2012. He couldn't have selected the joint lives policy he did, unless he had made contact with Prudential. Having made contact, Prudential was expected to treat him fairly and provide him with clear and fair information. I can't see that it did that. So, I think Mr H has potentially lost out because of what Prudential did wrong, as he may have been eligible to receive and taken an enhanced annuity, if he had been provided with clear and fair information.

Prudential said that Mr H may have been worse off taking an enhanced annuity, as he would've lost his GAR. However, what I am considering here is whether Mr H was given enough clear and fair information to make an informed choice about what options to take. I don't think he was.

### **Putting things right**

I don't know if Mr H and Mrs H's medical conditions would have made them eligible for an enhanced annuity. But, had they been eligible, I think Mr H would've likely selected this option, *if* it entitled him to a higher level of income.

So, I make the following order to put things right. Prudential should establish whether Mr H would have qualified for a higher annuity rate via the open market, than he is actually receiving.

If this is found to be the case, Prudential should put Mr H back to the position he would have been in, had he been provided with the full information as to his options in line with the regulatory rules or guidance applying at the time. To achieve this, Prudential should compensate him for any past and future loss:

#### **past loss**

Prudential should calculate the net annuity Mr H would have received from an average of the open market enhanced annuity rates based on his circumstances. This should be in the same format (any spouse's pension, escalation etc) as the existing annuity.

Prudential should compare this with what he is actually receiving each month. If there is a loss, it should roll up the differences in the amounts each month to the date of settlement, together with 8% per year simple interest from the date each payment would have been made. Any interest payable should be subject to a deduction for income tax payable\*.

#### **future loss**

Prudential should increase Mr H's existing annuity to the level it would have been, had he qualified for the higher average rate on the open market – as identified above. If this isn't possible, the business should establish the current cost of buying an annuity for Mr H to cover this difference, and pay that amount to Mr H. The amount paid here may be reduced to allow for the rate of income tax Mr H will pay on the annuity income.

If Mr H could have obtained a higher annuity rate, the business should pay him £300 for the upset caused by its failure to provide the correct information on his retirement options.

\*If Prudential considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr H how much it's taken off. It should also give Mr H a certificate showing this if he asks for one, so he can reclaim the tax from HMRC, if appropriate.

### **My final decision**

For the reasons explained, I uphold Mr H's complaint and order The Prudential Assurance Company Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 November 2020.

Kim Parsons  
**Ombudsman**