

The complaint

Mr S complains that The Prudential Assurance Company Limited (“Prudential”) did not carry out a review of his Section 32 pension policy in 1999/2000, as required under the Pension Review. Mr S says he was mis-sold the Section 32 policy and has lost out financially as a result. He thinks that Prudential is liable or jointly liable for his financial loss because of its actions.

What happened

Mr S was a deferred member of his former employer’s occupational pension scheme. He signed an application form to transfer the benefits from this occupational pension scheme to a Section 32 policy with Prudential in 1990. The name of the authorised financial intermediary was stamped on the section 32 policy application form. The stamp said it was a business, I’ll refer to as Company A, and gave an address in London for it.

Prudential received a copy of Mr S’ section 32 application form, with a headed slip from Company A. Prudential was also sent a cheque for around £3,000. Company A asked Prudential to process Mr S’ application for the section 32 policy.

Mr S also had another pension policy with Prudential. I’ll refer to this as his ‘second Prudential policy’ This second Prudential policy was arranged through Prudential, seemingly acting as Mr S’ adviser. Prudential contacted Mr S about this second Prudential policy as part of the Pension Review. The Pensions Review was a review set up by the Securities and investment Board, the regulator at the time, to investigate the potential widespread mis-selling of personal pension schemes.

As Prudential had, it seems, given Mr S advice in relation to this second Prudential policy, it carried out an assessment to see if Mr S had lost out financially because of the advice it gave him. Prudential agreed to provide him with some compensation in respect of this second Prudential policy. The mis-sale of this second Prudential policy does not form part of this complaint.

Prudential didn’t review Mr S’ Section 32 policy. When Mr S asked Prudential why it hadn’t reviewed it, at the same time as reviewing his second policy, Prudential said it was because the Section 32 policy was not sold to Mr S by Prudential. It told him in November 2000, he could contact the broker who sold him the policy to ask for a review.

I understand Mr S contacted Company A in 2018. He complained that following its involvement, and the transfer of his benefits to the Prudential Section 32 policy, he had lost out financially. Company A rejected his complaint because it said it had not given Mr S advice to transfer, the transfer had proceeded on an 'execution only' basis. So, it said, it did not have to carry out a loss calculation under the Pensions Review because of this. Mr S referred his complaint against Company A about this to our service. This service considered Mr S' complaint against Company A. One of our ombudsmen issued a decision concluding that Mr S had not brought his complaint to us within the time limits set out in the DISP rules. So, we did not have jurisdiction to investigate his complaint against Company A. Mr S' complaint against Company A was closed. So, Mr S' complaint against Company A also does not form part of this complaint.

In 2020, Mr S complained to Prudential, that along with Company A, it was responsible for the losses he'd suffered as a result of transferring out of his former employer's occupational pension scheme, into the Section 32 policy, provided by Prudential. He also said that in its correspondence Prudential should have named the business I've referred to as Company A as his advisers. He states that Prudential should have arranged for a Pension Review to be completed, either by contacting Company A or completing one itself. He said, as a result, Prudential was liable for any losses or unsuitable advice he was given.

Prudential consented to us dealing with Mr S' complaint against it. So, it was not necessary for us to consider whether his complaint was made in time against Prudential. Our investigator therefore went on to issue a decision on the merits of Mr S' complaint and did not uphold it. Mr S disagreed and so his complaint has been referred to me for a 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 S has made extensive representations, all of which I have read and considered when deciding this case. I mean Mr S no discourtesy by not repeating all of them here. I have set out below those that I consider most relevant in deciding this case.

Like our investigator, I think it worth repeating the different roles each business took on when the policy was sold, and the transfer made from Mr S' occupational pension scheme to his Section 32 policy. Company A facilitated the transfer. Company A told this service it was done without advice, on an execution only basis. But, it's not my role to assess that here. I know Mr S continues to dispute this. But, *this* complaint is about Prudential's actions. From the paperwork, I can see there was an intermediary here. The Section 32 application form specifically mentions Company A as that intermediary. So, I take it from that, that Prudential *wasn't* dealing with Mr S direct. And I can't see that Mr S has suggested that was the case. So, it seems clear to me that, Prudential was not acting as Mr S' adviser when the Section 32 policy was taken out.

Mr S completed a Prudential form to apply for the Section 32 policy. So, it also seems clear to me that Prudential was the policy provider. So, Prudential's role was to provide the policy and run it in line with the terms and conditions of the product concerned, the Section 32 policy. Taking all of this into account, I can't see that Prudential was involved in providing Mr S with any advice at the time he took out the Section 32 policy.

I'm told Mr S wasn't contacted as part of the Pension Review and his Section 32 policy was not reviewed. What I need to consider here, is whether Prudential ought to have carried out a review of Mr S' pension under the Pensions Review. I'm satisfied that Prudential didn't do anything wrong here, as it was not Prudential that arranged or provided any advice in

relation to the transfer. Its role was limited to providing the product that Mr S invested his pension money in. So, in those circumstances, under the terms of the Pensions Review, it was not Prudential's responsibility to arrange for there to be a review, or to arrange for another company, in this case Company A to conduct a review.

Mr S also complains that the wording used in Prudential's letter about the Pension Review led him not to contact Company A around that time. He believes that Prudential should've referred to the company I've referred to as Company A, specifically by name. As a result, he considers that Prudential is directly responsible for his losses as he would've complained about his loss sooner, if he had been given clearer information. Like our investigator, I haven't seen anything that leads me to the conclusion that in some way Prudential was responsible for Mr S not raising his complaint sooner. I can see from the email that Prudential didn't mention Company A by name. But it did provide factually correct information, telling Mr S that he should contact the 'broker' if he wished to pursue matters. If Mr S didn't know who the 'broker' was, he could have gone back to Prudential to clarify that. I can't see that he did that, at that time.

So, overall, I don't think Prudential has done anything wrong. Given its limited role here in relation to this Section 32 policy at the time of sale, it wasn't responsible for carrying out a Pensions Review. And I can't see that the information it provided Mr S with about how to follow up his concerns about the lack of Pensions Review, would've specifically caused Mr S not to be able to bring his complaint about Company A in time.

Taking all of this into account, I can't reasonably uphold Mr S' complaint.

My final decision

For the reasons explained above, I do not uphold Mr S' complaint against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 January 2021.

Kim Parsons
Ombudsman