

The complaint

Mrs W complains that The Prudential Assurance Company Limited gave her misleading information about the benefits due to her following the passing of her husband.

What happened

Sadly in 2017 Mrs W's husband passed away, Prudential wrote to Mrs W within a month of this to offer her a choice of how she could take the benefits due to her from the policy. It set out that Mrs W could receive monthly benefits of £149.81 or a cash lump sum of £4,696.00.

Mrs W called Prudential to accept the monthly annuity. However, the next day Prudential realised it had made a mistake and actually the monthly annuity available was only £24.59. So it said it would send her a revised offer.

After receiving the revised offer Mrs W called to say she now wished to take the cash lump sum.

More recently through a professional representative, Mrs W raised a complaint that Prudential had unfairly highlighted the option of the lump sum and presented the annuity figures in a misleading format. The representative believed this had been done to persuade Mrs W to take a lump sum, which he thought must have been done to save it money.

It seems Mrs W's representative was unaware that the initial letter incorrectly inflated the annuity figure and the annuity available to Mrs W was actually much smaller.

Our investigator looked into matters and felt that Mrs W was aware of the options available to her and with all the correct information wouldn't have chosen to take an annuity in any event. But he felt that Prudential's error would have meant that Mrs W would've suffered a loss of expectation that would've been particularly upsetting given her husband had just passed away. He recommended Prudential award £200 for the trouble and upset caused.

Prudential in response said it had put matters right quickly. And there was nothing to suggest that Mrs W was unhappy with the service she'd received at the time. It said it was only after a DSAR request was made by a third party that a complaint was made. So it didn't agree with the investigator's recommendation.

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 don't think the conclusions reached by the investigator are unreasonable and so I won't be departing from them.

At the time of Prudential's error, Mrs W had just suffered a bereavement and it would've been distressing for her having to deal with matters. Because of Prudential's mistake she had to make and receive additional calls all in relation to her husband's passing – which won't have been easy for her. And she also suffered a loss of expectation after choosing to

continue with the monthly payments, only to be told that actually the monthly payments were only a sixth of what had been quoted.

In the representative's submission to the service, whilst the complaint itself was incorrectly interpreted, it was mentioned that Mrs W had suffered distress in dealing with matters. I appreciate that this would be distressing regardless but I do think Prudential's mistake would've added to this. Prudential did rectify matters quickly, and so the loss of expectation was only over a short matter of time. But due to the sensitivity of the situation I think this alongside the additional calls will have caused Mrs W additional undue distress.

Prudential have pointed out that Mrs W didn't complain at the time and this complaint was only raised after an information request from her representative. I have taken that into account, but it seems likely Mrs W remained unhappy with events as she contacted the representative in the first place. Overall, I think Mrs W was caused some distress regardless of how the complaint was formed and I think the £200 recommended is fair and reasonable in the circumstances.

My final decision

I uphold the complaint and require The Prudential Assurance Company Limited to pay Mrs W £200 for the trouble and upset its error caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 16 March 2022.

Simon Hollingshead
Ombudsman