

## **The complaint**

Mr M complains that The Prudential Assurance Company Limited failed to provide him with sufficient information when he bought three annuity plans in 2013.

## **What happened**

Mr M held pension savings with Prudential as a result of an occupational pension scheme he had been a member of. In late 2012 Mr M got in touch with Prudential as he was due to retire when he reached 65 years of age in January 2013.

Prudential sent Mr M some information about his pension benefits by post. It seems that Prudential held an incomplete address for Mr M so that information was delayed, but it did eventually arrive. And Mr M had a number of telephone conversations with Prudential about the choices he could make regarding his pension benefits. Ultimately Mr M chose a pension on a single life basis, but with a ten-year guarantee.

Since he made his complaint, Prudential has been in touch with Mr M to let him know that it is undertaking a review of annuities it sold to consumers who weren't assisted by a financial advisor. Prudential has concerns that it might not have given enough information to some consumers about enhanced annuities that might be available due to certain health conditions. I have seen that Prudential has already paid Mr M compensation in relation to one of his annuities, and it says it is still reviewing the other two. So I'm not going to deal with that aspect of Mr M's complaint in this decision. I think that, should he still remain unhappy about that part of the annuity sale, it would be right that he should make a further complaint to Prudential after its review has concluded.

One of our investigators has assessed Mr M's complaint. She thought that Prudential had given Mr M all the information it needed to at the time the annuities were sold. So she didn't think that Prudential had done anything wrong, or that it needed to pay Mr M any compensation.

Mr M didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## **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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr M and by Prudential. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Mr M's complaint is regarding the information that Prudential gave to him in 2012 about the annuity options that were available to him. A considerable period of time has passed since then, so it wouldn't be at all surprising that, despite his best efforts, Mr M might not entirely remember everything that happened at that time. So, although I have of course taken careful account of what he has told us, I am naturally more inclined towards the contemporaneous evidence that Prudential has retained from the time such as copy letters, and notes of telephone conversations.

From that evidence I am satisfied that Prudential did provide Mr M with details of the annuity options that were available to him. In particular I can see it discussed with him whether he would be able to add dependents' benefits to his pension. And what guarantee periods might be available. I will deal with both those matters in a little more detail later in this decision. And I can see that Mr M returned the signed application forms to Prudential. That application form was part of the information that Prudential sent Mr M, so that would lead me to believe the annuity information was both sent to Mr M, and safely received by him.

One of the areas Mr M explored in detail with Prudential at the time he took the annuities was whether he could add dependents' benefits. Prudential's notes from the time record that Mr M was divorced, but was hoping to re-marry the following year. But he told Prudential that his future wife currently lived in another country. Although Prudential asked Mr M for details of his partner, such as her date of birth and name, he didn't provide those details to enable a quotation to be issued. Mr M also told Prudential that, at that time, his youngest child was aged 11.

When an annuity is set up, it generally can't be altered in the future. So Prudential explained to Mr M that he would need to include his future wife as a dependent before the annuity was taken if he wished her to benefit from the pension after his death. And in order for his children to be considered as dependents, and so receive pension benefits after his death, they would need to be under the age of 23 and in full time education when the benefits were paid to them.

Mr M didn't provide Prudential with the information it needed to provide him with a quotation for a pension providing dependents' benefits to his future wife. And, at the time the ten-year guarantee expired, there would be little remaining time for Mr M's child to be paid any dependent's benefits. So it doesn't seem to me that it would have been possible in the case of his future wife, or appropriate in the case of his child, for Prudential to have provided those additional quotations to him. And I haven't actually seen anything to make me think those were quotations that Mr M had asked for – I expect he'd have wanted to see them before making his final decision if they were outstanding.

The original quotations that Prudential issued to Mr M were based on a five-year guarantee period. It seems that he then asked Prudential for further quotations based on a ten-year guarantee period. And the application form that he completed offered the option to take a five-year, a ten-year guarantee, or the option to take no guarantee at all. So I think it reasonable to conclude that Mr M was aware of the various guarantee options that were available to him, and that he chose the ten-year guarantee because he thought it fit his circumstances best.

So having taken everything into account, I am persuaded that Prudential gave Mr M sufficient information about the annuity options that were available to him when he took his pension benefits in 2013. I appreciate that subsequent changes in Mr M's circumstances might mean that he would take a different decision now, but I don't think that means Prudential did anything wrong when it originally sold the annuities to him.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against The Prudential Assurance Company Limited.

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

Paul Reilly  
**Ombudsman**