

The complaint

Mr G complains about the service that he has received from The Prudential Assurance Company Limited regarding the administration of his personal pension.

What happened

Mr G has a pension with Prudential that was taken out in 1990.

Mr G has raised a number of complaints with Prudential over a number of years. He had a final decision from our service that addressed a lot of issues that Mr G raised regarding Prudential's administration of the pension in question. This decision will not re-visit the issues that we have already given answers on.

Mr G has remained unhappy with the confusing explanations that he had from Prudential regarding his pension.

Our investigator considered the circumstances relating to Prudential's handling of Mr G's requests for clarity on how he could take his pension. She agreed with Mr G that the responses from Prudential had been confusing. By that stage Prudential had increased its offer of compensation to £250 for the trouble and upset that Mr G had been caused. Our investigator explained why she thought that offer was fair.

Mr G has asked for an ombudsman 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.

It is the role of our service to try to provide quick and informal resolutions to complaints. And I'm mindful that Mr G has had this complaint ongoing for a long time. All complaints have to reach a conclusion. Mr G has already had a final decision from an ombudsman on many of the matters that I know he still disagrees with. But it is not practical for our service to revisit those things. I've read everything that has been submitted in this case, as well as everything I consider relevant from the previous case. But our investigator has explained to Mr G that this complaint only relates to the issue of how Prudential have handled his enquiries about taking his benefits. And I will limit my decision to that.

Mr G has been enquiring of Prudential, since at least 2019, about how he could take benefits from his pension fund. His pension is set up in such a way that it is made up of a number of 'Retirement Arrangements'. These work as segments and the issue of how these benefits could be taken was addressed for Mr G in the earlier final decision. The policy was set up at a time when the only way that benefits could be taken was to use the Pension Fund to purchase an annuity or take a pension commencement lump sum and an annuity with the rest of the segment(s).

The policy terms and conditions that Mr G has sent us confirm this. I think that this position has now been explained to Mr G by Prudential. To be clear, I think that it was stated plainly in the correspondence that Mr G referred to receiving in December 2019. But I agree that it wasn't made very clear to Mr G at the first time of asking.

Prudential have acknowledged its failings. It's provided unclear messaging to Mr G, which had the effect of making it harder for him to take his pension.

But Mr G did have the option of advice. This was available through Prudential but would have come at a cost that Mr G was reluctant to pay. I think it ought also to have been clear to Mr G that he could have also sought independent financial advice too, which would have opened up a range of other options to take his pension benefits. Which I don't think was unreasonable. And he could have opted to move his pension to another provider, perhaps without needing advice at all. Which could have afforded him the full flexibility brought in by Pension Freedoms. So I don't think that the mistakes that Prudential made initially in understanding the terms of his pension product, have resulted in his not taking his pension benefits since December 2019.

He has undoubtedly been caused inconvenience by the service he received from Prudential though. And I agree that Prudential should pay Mr G £250 for the distress and inconvenience that it caused.

My final decision

The Prudential Assurance Company Limited has already made an offer to pay £250 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that The Prudential Assurance Company Limited should pay Mr G £250 in compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 July 2022.

Gary Lane
Ombudsman