

The complaint

Mr J complains about delays by The Prudential Assurance Company Limited in transferring his pension plan to another provider.

What happened

Mr J wanted to retire and take his pension in February 2020. He received his tax free cash lump sum from Prudential on 18 February. But he was unhappy that there had been some delays in obtaining this and complained.

On 27 February 2020 Prudential gave its final response to this complaint, and accepted there had been some delay due to the forms not being sent correctly and issues with Mr J and his financial adviser being passed from one department to another when they called.

Although Mr J received his cash lump sum there was further action needed to deal with the pension, which he wanted to transfer.

Prudential received the transfer request forms from Mr J's financial adviser on 18 March 2020 with the transfer discharge form received two days later. Mr J called Prudential on the same day chasing the transfer funds. Prudential then emailed Mr J's adviser on 24 March asking if they still wanted to proceed, as there had been a fall in fund value. This email wasn't received by the adviser. Mr J then referred his complaint about the initial delays (relating to the lump sum payment) to this service. And he made a further complaint to Prudential about the delays in transferring the remaining pension funds to his new provider.

Two days later Prudential asked Mr J for further information about the transfer. Mr J's adviser emailed Prudential on 8 April 2020 asking whether the pension funds had been moved into cash funds or were still invested and what the current options were. Prudential replied the same day confirming the funds were still invested in the same fund. Prudential also confirmed that Mr J could still proceed with the transfer or could cancel the transfer and start to drawdown income.

Prudential gave its final response to the second complaint on 15 April 2020. It accepted there had been delay dealing with the transfer, confirmed it would seek to ensure Mr J didn't suffer a financial loss, and offered £150 to recognise the distress and inconvenience caused to him.

On 1 May 2020 Mr J's adviser confirmed to Prudential that he still wanted to go ahead with the transfer. Prudential said there was no outstanding paperwork and the transfer should be completed by 14 May.

The transfer was completed on 9 May 2020. The amount transferred to the new provider was based on the fund value as at 1 May 2020, the date when Prudential had all the information needed to make the payment.

Prudential contacted the new provider on 1 June 2020 saying it had caused a delay of 14 days and, if that hadn't happened, a higher transfer value would have been sent. Prudential

asked for further information to calculate the amount it should pay Mr J to put this right. It received this on 29 July and calculated that if there hadn't been any delay Mr J would have been able to purchase 1,844.6725 additional units in his new fund. The cost of these additional units on 29 July would have been £2,591.76 and Prudential paid this on 3 August.

When our investigator considered the complaint, he didn't think it should be upheld. He said:

- He didn't think Prudential was responsible for any delay between February and 20 March 2020, or for the period from 8 April to 1 May when it was waiting for confirmation that Mr J wanted to go ahead with the transfer – and although the transfer didn't happen until 9 May, as it was based on the pension value as at 1 May (the date when it had the relevant information) there was no loss in relation to this.
- It was responsible for delay between 20 March and 3 April 2020. If the transfer had not been delayed Mr J would have benefited from a higher transfer value, which would have allowed Mr J to buy more units in his chosen investment fund. But the amount Prudential had paid into Mr J's new pension fund had corrected this.
- Although Mr J had been caused some distress and inconvenience, the sum of £150 paid by Prudential in respect of this was fair.

Mr J didn't accept the investigator's view. His adviser said there had been delays well before February 2020 - they had originally contacted Prudential in late 2019 with a view to completing the transfer in time for Mr J's retirement in February 2020. They provided further information about their contact with Prudential, and said there had been numerous attempts to pursue matters from early December 2019, but Prudential had delayed throughout this period. They said these earlier delays hadn't been addressed.

The investigator reviewed this and requested further information from Prudential. After considering all the additional comments he said his view hadn't changed, because:

- Although Mr J's adviser started a 'fact-finding' process into his pension in December 2019, other than information and annual letters sent by Prudential there was little contact between Prudential and Mr J or his advisers between the fact find on 2 December 2019 and telephone calls made on 27 and 28 January 2020.
- There had been numerous requests for information from both Mr J's adviser and Prudential, including searches by Prudential of its online request log, phone call and email records, but neither had been able to provide evidence of any requests for information before 27 January 2020. Without this, it wasn't reasonable to conclude Prudential was responsible for delays during that period.

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.

Where someone is seeking to make a transfer I'd expect the business to ensure any necessary action is taken within a reasonable time, bearing in mind the duty to treat its customer fairly. If any unnecessary delay arising from poor administration causes a loss, that should be put right.

Although Prudential accepts there was some delay, it considers the payments it has already made were enough to address any loss or harm Mr J suffered. So the crux of the matter is whether Prudential has done enough to put things right.

Mr J's financial adviser hasn't disputed the calculation of the sum paid for the delay Prudential identified in March and April 2020. But they say there was additional delay earlier on, which should also be taken into account. So I will first consider that period.

December 2019 – February 2020

I don't doubt the intention was for Mr J to transfer his pension for his retirement in February 2020 and that he started looking into this before 27 January 2020. But despite extensive efforts, it hasn't been possible to obtain evidence of delay before then.

Prudential sent an information letter on 5 December 2019, followed by an annual statement on 11 January 2020. Call logs for December 2019 and early January 2020 have been searched, with no record of any transfer request from Mr J being recorded.

I've listened to recordings of the calls on 27 and 28 January 2020. There's a discussion of the options available to Mr J. His adviser says they had requested the paperwork "*maybe three weeks ago*". The call handler says it wouldn't be possible to get paperwork for any options – they would need to be specific about what they were looking to do. After checking, Mr J's adviser says they hadn't requested paperwork to carry out any actions, simply information such as the transfer value, which they had requested on the "button" online. The call handler explains that they had received an email asking for information about options – which is why they have called – but they haven't received any request in writing. There's then a discussion about what exactly was wanted. Once the adviser clarifies the information they want, the call handler confirms this will be provided by 11 February

There's no evidence in these calls of exactly when the earlier request for information was made, or if it was made correctly. It doesn't seem, from the evidence I have, that the online request Mr J's adviser says they made was in fact the correct way to deal with the matter. There's nothing to show they were chasing for information prior to 27 January. And based on what Prudential has said about its normal timescale for responding at that time I can't see that it would have been dealt with by then in any event.

Things moved quickly after the calls in late January. Prudential sent the retirement options pack to Mr J's adviser on 4 February, with policy information sent to Mr J the next day. The adviser said it didn't receive that and called Prudential on 7 February to chase for it. Although Prudential didn't email the forms to the correct email address initially, this was sorted out quickly.

On 10 February 2020, having now got the required information, the adviser called Prudential to request a pension transfer pack, which was sent the next day. The adviser returned the form to release the tax free cash lump sum and move the plan into drawdown. They called again two days later to chase this. On 14 February Prudential said the form hadn't been completed properly and asked for this to be corrected. The papers were signed by Mr J on 17 February and the tax free cash was paid the next day. Based on this sequence of events I don't think there was any undue delay by Prudential during this period.

I agree some of the phone calls would have been frustrating. But where calls were made by Mr J's adviser, rather than Mr J himself, I wouldn't be able to award any compensation to the adviser.

February – May 2020

I don't think Prudential was responsible for any delay between February and 20 March 2020, It received the transfer request forms on 18 March and the transfer discharge form on 20 March. But there was then a delay until 3 April when Prudential contacted Mr J asking for information.

In the period from 8 April to 1 May, Prudential was waiting for confirmation that Mr J wanted to go ahead with the transfer. So I don't think there was any action it should have been taking during this period that it failed to take.

Prudential received the relevant information on 1 May. Although the transfer didn't happen until 9 May, it was based on the pension value as at 1 May. So there was no loss in relation to this.

Mr J wasn't intending to use the pension funds to buy an annuity so there hasn't been any missed annuity income. There was a fall in transfer value while the transfer was being dealt with, which no doubt was concerning for Mr J. But that wasn't unique to his pension funds; due to general circumstances at that time the fund he transferred to would have also suffered significant volatility over that period.

Based on the above, my view is that Prudential was only responsible for avoidable delay between 20 March and 3 April 2020 – a period of around two weeks, which Prudential has acknowledged. That delay affected the value of the funds that were later transferred; if there had not been a delay, Mr J would have benefited from a higher transfer value, which would have allowed him to buy more units in his chosen investment fund. But Prudential has addressed this. It contacted the new provider and obtained details of the relevant values. These units were valued at £2,591.76 as at 31 July. That amount was paid into Mr J's new pension fund on the next working day, 3 August. This left him with the correct number of units in his chosen investment fund, so it was a fair way of correcting the issue since it put him in the position he would have been in, if there had been no error.

Mr J had been caused some distress and inconvenience. I appreciate there was some delay but as I've explained only a relatively short period was down to Prudential. The effect of that on Mr J would have been limited. The correspondence was mostly dealt with by the financial adviser on his behalf, so he wasn't having to deal with the frustration of being passed around different departments himself.

Taking all these circumstances into account I think the sum of £150 paid by Prudential in respect of this was fair.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 31 December 2021.

Peter Whiteley
Ombudsman