

The complaint

Mr B complained that because of delays to a pension transfer, The Prudential Assurance Company Limited (Prudential) did not apply an uplift to his pension value he was due and caused him a significant amount of distress and inconvenience. He would like Prudential to increase its offer of compensation to him.

What happened

On 30 March 2020, Mr B applied to Prudential to transfer his pension from his existing provider (Firm A). Prudential submitted a transfer request to Firm A on 2 April 2020.

Prudential subsequently asked Mr B's IFA to complete a declaration form confirming the transfer request, which it did, but it later came to light that this form was not sent to Firm A by Prudential.

Mr B first contacted Prudential to ask about the progress of the transfer on 1 May, as he was becoming concerned that he had not heard anything and the first payment from his pension benefits was due on 5 May. Mr B was informed during this call that the transfer from Firm A to Prudential had still not taken place. Mr B asked for this situation to be investigated and requested a call from Prudential to update him on 4 May. Mr B did not receive this call. On 7 May Mr B called Prudential again and was unhappy with the content and tone of the response he received. He made a complaint to Prudential about its poor service and the lack of progress of the transfer during this call.

Mr B's transfer from Firm A to Prudential took place in two tranches on 18 and 23 June 2020, before being placed into an investment fund by Prudential on 25 June.

Following a number of conversations with Prudential during this period, Prudential upheld Mr B's complaint on 25 June, with a suggested resolution of ensuring that Mr B had not suffered a financial loss as a result of the delay and paying £200 as compensation for his distress and inconvenience.

Mr B's financial adviser raised the issue with him that Prudential had applied a Unit Price adjustment amounting to a 2.58% uplift to prices on 25 June that Mr B did not appear to have benefitted from. Mr B contacted Prudential several times to investigate this but did not receive an answer which adequately explained the situation to him.

On 20 July 2020, Firm A contacted Prudential to inform them that its own investigation had shown it, and not Prudential, was responsible for the delay in the transfer. This was because the declaration form it had asked Prudential to provide was not required for it to have carried out the transfer.

Prudential carried out a calculation to assess the extent of the loss Mr B had suffered because of the delay and determined that it was £4,588.57. Firm A transferred this sum to Prudential in November 2020 which added it to Mr B's pension.

Prudential paid Mr B a further £800 in relation to its poor management of his transfer and his complaint, reflecting the significant amount of time, effort, and distress this had caused him.

Mr B, was not satisfied with this outcome and complained to the Financial Ombudsman Service, asking for an additional £700 in compensation.

Our investigator reviewed all the information provided and reached the conclusion that Mr B's complaint should not be upheld, as they were able to demonstrate that the financial loss calculation Prudential had undertaken had taken into account the 2.58% unit price adjustment and felt that the compensation Mr B had been offered was within the range that this service would expect in this type of situation. Mr B disagreed, so it's been passed to me to take a fresh look at all the evidence and make a final 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.

Having done so, and considered the view of our investigator, I have reached the same conclusion and will not be upholding Mr B's complaint.

I can appreciate that this will be disappointing for him, so let me explain how I have reached my decision.

Firstly, let me say that there is no doubt that Mr B's pension transfer was significantly delayed, which caused him to devote a significant amount of time and effort in trying to resolve what was clearly a very stressful situation for him.

It's important to say, however, that Mr B's complaint has been brought against Prudential and not any other party. Although Prudential clearly failed to provide Firm A a signed transfer declaration form in the early stages of this process, it is clear from the evidence that Firm A did not need this form to process the transfer. Given this, I don't find that Prudential were responsible for the delay to the transfer. Consequently, I can't hold it responsible for ensuring that Firm A put Mr B fairly into the position that he would have been in but for the delay so this is not something that I can address in this decision.

In terms of the level of service that Prudential provided to Mr B, Prudential itself recognises that it fell below the level that he could and should have reasonably expected. Although Prudential cannot be held responsible for the delay to the pension transfer, I find that the poor level of service it provided to Mr B was responsible for significantly increasing the level of stress, distress and inconvenience that he was subjected to over an extended period. Mr B has provided very comprehensive and compelling evidence as to both the number and content of numerous interactions he had with Prudential. Prudential itself seemed to me to lack both urgency and proactivity in its attempts to either resolve the issue or respond to Mr B's requests. I think it's reasonable to conclude that Prudential should have showed more willingness to engage with Firm A to try and speed up the process, as well as keeping Mr B informed and making good its promises to contact him when it said it would, as well as clearly explaining the answers to his questions. I have no doubt that Prudential's poor level of service increased the amount of effort Mr B himself had to put in to resolving this issue.

In terms of the compensation paid to Mr B for the distress and inconvenience that Prudential caused to Mr B, I must consider the guidelines this service uses in this type of situation. Prudential has already paid Mr B a total of £1,000 in this respect. In the full circumstances of this complaint I think this level of compensation is a fair and reasonable reflection of the

disruption and stress caused to Mr B over several months and so I won't ask Prudential to increase it.

My final decision

For the reasons given above, my final decision is that The Prudential Assurance Company Limited doesn't need to do anything more to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 December 2022.

Bill Catchpole
Ombudsman