

The complaint

Mrs L complains about the delays caused by The Prudential Assurance Company Limited (Prudential) when accessing her pension funds.

What happened

On 11 June 2021 Mrs L called Prudential to discuss claiming the funds held in her Personal Pension Plan (PPP).

Due to various delays and problems, and despite apologies and assurances from Prudential that she would, by 13 October 2021 Mrs L hadn't received her money. So, Mrs L made a formal complaint about the delays and the distress and inconvenience she said she'd been caused, which had been significant given her financial and medical vulnerabilities.

Prudential completed the transfer of the funds from her PPP on 22 October 2021, with the funds being received in her nominated bank account on 25 October 2021.

On 2 November 2021, in a telephone conversation about her complaint, Prudential offered Mrs L £500 compensation and said it would send her a final response letter (FRL) confirming the outcome of her complaint.

On 3 November 2021 Mrs L referred her complaint to our service as she was unsure whether the compensation offered was fair in the circumstances. But after three months Prudential still hadn't sent her its FRL, despite being told she would get one, so in February 2022 she wrote to Prudential again to chase this.

Prudential sent its FRL on 14 February 2022. It apologised for the level of customer service she'd received over the delays and mistakes with her pension withdrawal. It found that it should have been able to make the pension fund payment to her by 10 September 2021, and not 22 October 2021 when it was actually completed. Prudential said it had calculated that Mrs L had suffered a financial loss of £28.26 in the value of the funds due to the delay. It offered to pay this and added 8% simple interest on this amount up to the date of the FRL. It also said it would pay Mrs L £150 for not sending her an FRL when her complaint was resolved in November 2021. So, in addition to the £500 compensation she'd already received, Prudential paid Mrs L a further £196.38.

But Mrs L didn't know whether this was a fair outcome given the distress and inconvenience she'd been caused, which she said had been exacerbated by the personal circumstances she been in and the medical problems she'd been suffering, all of which Prudential had known about at the time.

Our Investigator considered what had happened and whether he thought the resolution reached by Prudential was fair and reasonable in the circumstances. And he thought it was. The Investigator acknowledged the significant upset Mrs L had been caused, and that Prudential was aware of the reasons why she needed the money quickly. And he thought that the delays Prudential had caused had exacerbated the issues she'd been contending with. But he thought £500 compensation for this was fair and generally in line with what our

service would award, so didn't think Prudential needed to pay anything more.

Our investigator also thought Prudential had been fair in how it determined the level of financial loss Mrs L had suffered as a result of its delays, and it had been correct in adding 8% simple interest to this amount. He also noted that Prudential's payment of £150 for its failure to send Mrs L an FRL was not something that he could consider, because 'complaint handling' in these circumstances was not a regulated activity, and hence not within the jurisdiction of this service.

But Mrs L didn't accept this outcome. She wrote a detailed response, but in summary she thought:

- Prudential had given her specific promises to help her and had then reneged on these promises without informing her.
- Prudential had, after discovering she was in a vulnerable group, overruled the help she'd been promised without notice or explanation.
- Prudential should carry out a practice review so this cannot happen again.
- The result of Prudential's actions was 'pain and suffering' and not 'distress and inconvenience'. And this pain and suffering was not a mistake, it was a choice Prudential made.

Because of these points Mrs L asked for the compensation award to be reviewed, so the complaint has come to me for 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.

Firstly, I understand Mrs L wants Prudential to have to undertake a practice review as a result of her complaint. But this is not something I can compel it to do as part of this decision – this is the role of the regulator, the Financial Conduct Authority, if it thinks it is necessary.

It is not in dispute that the service provided by Prudential to Mrs L in the process of accessing her pension fund was not what it should have provided, and that delays were caused and mistakes were made. Prudential has, in its FRL, sincerely apologised for this and has put right the losses she incurred as a result of the delays. And it has also paid 8% simple interest on these losses. This is what I'd have expected it to have done in these circumstances and I'm satisfied Mrs L has been put back in the financial position she would've been in had the delays not occurred. So I won't be requiring Prudential to do anything else in this regard.

But, what I do need to consider is the effect these delays and mistakes had on Mrs L, taking into account the very difficult circumstances she found herself in at the time. I won't go into detail about Mrs L's personal circumstances, but I'd like to thank her for her openness about these. I acknowledge the serious difficulties she had with her living arrangements at the time, and the medical problems she continues to deal with. I can see how this was a very difficult time for her and can see how the way Prudential handled her request for her pension funds caused her significant distress.

Having listened to the calls between Mrs L and Prudential I can see she made it very clear from the outset the difficulties she was facing and the reasons she needed the pension

money urgently. She was given repeated assurances by call handlers that her circumstances and urgency of the situation were understood by Prudential, which made the failures to process the transaction efficiently all the more distressing for her. It is apparent there was a disconnect on a number of occasions between what she was told by the call handlers and what actually happened once the process moved on to different parts of the organisation.

But I also acknowledge that a transaction to take the value of a personal pension is not something that can happen immediately - it will take some time. In addition to the process itself, Prudential had to protect both its and Mrs L's interests by ensuring the application was genuine, and the destination account for the funds was correct. Prudential has said it should've been able to complete the process by 10 September 2021, which is three months after she first contacted it to discuss her options. And I don't think this is an unreasonable estimate. Based on my findings above, although the entire process took over five months, I think it likely it was delayed by a total of about six weeks, and Mrs L was caused additional distress over this extra period. And this distress was exacerbated by Prudential not adhering to what it said it would do, and not communicating with her effectively.

I do understand that Mrs L feels her medical condition was made worse due to the delays caused by Prudential, and I have considerable sympathy for her. As I've said above, the process was always going to take some time, so there was always going to be a time where she was going to have to wait to get the money. And the medical deterioration Mrs L has documented happened both before and after she received her money. So whilst I can't fairly hold Prudential entirely responsible for it, I certainly can see its actions didn't make things any easier for Mrs L.

As I've said above, I can see Mrs L was caused significant additional distress and inconvenience by the delays and mistakes caused by Prudential in its handling of her request for her pension funds. But having considered this in the whole, including the effect it may have had on her medical and emotional health, I do consider the £500 it gave her is fair, and in line with what I would've required it to pay her had it not already done so. So I'm satisfied it doesn't need to do anything else in this regard.

My final decision

The Prudential Assurance Company Limited doesn't need to do anything further in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 3 October 2022.

Chris Riggs
Ombudsman