

## The complaint

Mr R complains that The Prudential Assurance Company Limited (Prudential) failed to transfer one of his personal pension (PP) policies.

## What happened

In September 1991, Mr R asked Prudential to transfer two PP policies he held with it to a new provider (Firm B). The transfer completed the following month, but it appears Prudential traced Mr R in or around 2017 on the understanding he still had a PP policy with it worth around £27,000 (Policy A). In mid-August 2021, after getting in touch with Prudential on different occasions to find out his options for Policy A, he complained that he'd previously asked for this to be transferred to Firm B in the 1990's, which wasn't actioned. And that he'd found out he'd need to pay a financial adviser to set up drawdown on this when it'd previously told him he could do this himself.

Prudential responded later that month apologising if it wasn't made clear that an adviser must set up drawdown, whose fees would apply. It said it couldn't find a previous request to transfer Policy A to Firm B though. And it offered him £125 for the distress and inconvenience caused by this and for the customer service he'd received. Following further contact from Mr R, Prudential gave a second final response saying it couldn't see whether his transfer request had included Policy A due to the passage of time. It offered Mr R a further £125 compensation and said it had provided internal feedback. And, on both occasions, it invited him to send in supporting evidence of his transfer request.

Unhappy with this, Mr R came to our service about Prudential's failure to transfer Policy A, adding that he's lost out on the performance of this as a result and that he'll have pay a financial adviser to discuss his options on it. Mr R also went on to obtain information from Firm B, which said it received the transfer of two policies from Prudential in 1991, including Policy A.

After Prudential confirmed in writing that it consents to us considering Mr R's complaint if it has been brought to us outside our timescales, one of our investigators looked into his complaint. She said the evidence shows Prudential successfully transferred Policy A to Firm B in 1991 but didn't update its records to reflect this, leading to confusion and Mr R being told he had a live policy with it. She said Prudential should pay Mr R a further £200 compensation to make up for this and the trouble he was put to, taking total compensation to £450. She also said there was no evidence Mr R had been financially disadvantaged as a result though.

Mr R didn't agree. In summary, he said Prudential had a duty to take reasonable care, it's acted negligently and misled him into thinking Policy A, or at least part of it, hadn't transferred across and that he still had a pension with it worth around £27,000 as a result. And that he sought advice and planned his retirement on that basis, including stopping making contributions to his plan with Firm B. So, he feels Prudential should honour the £27,000 it led him to thinking he still had with it. Mr R also said Prudential hasn't acted in line with principle 7 of the Principles for Business. And that this matter has impacted severely on his mental health.

As no agreement could be reached, the complaint's been passed to me for a decision. And I issued a provisional decision saying the following:

*Mr R says Prudential has breached Principle 7 of the Financial Conduct Authority's (FCA) Principles for Business in particular, which says a firm must pay due regard to the information needs of its clients, and communicate with them in a way that's clear, fair and not misleading. As a regulated business Prudential had a responsibility to follow the Principles, which I've had regard to when reaching my provisional decision.*

*Having considered all the information, I think it's likely Prudential transferred Policy A to Firm B in 1991, but it didn't update its systems to reflect this in error, which meant it later mis-led Mr R into believing he still had a pension with it when he didn't. I say this because evidence from Firm B shows that Policy A was successfully transferred to it in 1991. And Prudential's shown us it's carried out a calculation to see what Policy A would have been worth at the time, which I can see is in line with the amount it transferred to Firm B for this. In which case, what's left for me to decide is whether Prudential needs to do anything further to put this right.*

*Mr R says Prudential should honour the £27,000 it led him to believe he had with it. But I can't fairly ask it to do that, as Mr R was never entitled to it. I can see that in January 2022 Mr R spoke with a financial adviser about transferring his entire pension provision to a new provider to purchase an annuity though, which appears to have taken into account the additional pension he thought he had with Prudential. But I can't safely say Mr R wouldn't have sought and paid for this help with retirement planning in any case. I say this because I can see he transferred his pension with Firm B to a new provider recently anyway, after finding out he didn't have an additional pension with Prudential. And, while Mr R's said he stopped contributing to his pension with Firm B due to Prudential's error, information from Firm B shows he stopped doing so a number of years ago. So I can't say Mr R's been financially disadvantaged by Prudential's error.*

*That being said, Mr R spent time making enquiries with Prudential across the course of around three years about what to do with a policy he doesn't have with it, as well as Firm B as a result. This matter has clearly and understandably caused Mr R confusion and frustration, as well as inconvenience. Prudential mis-led him into thinking he had an additional pension that was worth a significant amount, raising his expectations. And I think that finding out this isn't the case has caused Mr R a great deal of upset and disappointment, to the extent that he's explained this has significantly affected his mental health. In which case, I currently think Prudential should pay Mr R a further £750 compensation on top of the £250 it's already offered him, taking total compensation to £1,000. I think this is a fair and reasonable amount in the circumstances to make up for its error and the impact on Mr R.*

While Prudential said it accepts my provisional decision, Mr R doesn't accept it. He said he's been severely messed around by Prudential and that it has ruined his plans. He said he was mis-led across years over the phone and in writing. He said he can't compensate for Prudential's error now and that if he'd known he didn't have Policy A from the outset he could have made other plans to suit his circumstances. He said he's spent hours trying to sort this matter out. And that Prudential should be fined or punished, so that it doesn't do this again. He said he has no further information to provide.

### **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.

While I understand Mr R's strength of feeling, our role isn't to fine or punish Prudential for its errors. That's the role of the regulator of financial businesses – The Financial Conduct Authority. Instead the role of our Service is resolve individual complaints between a consumer and a business. And if we decide something has gone wrong we'd ask the business to put things right by placing the consumer, as far as possible, in the position they would have been in if the mistake hadn't occurred.

Mr R says Prudential's error has impacted on his retirement plans. And I recognise he might have had to re-think any plans he had in mind which included Pension A as a result. But, for the reasons I've already given, I can't say he has been financially disadvantaged by it – I haven't seen anything to persuade me he would be in a different position if Prudential hadn't made this error.

Instead, I've explained that I think Mr R's experienced a loss of expectation, as he doesn't have as big a pension pot as Prudential led him to believe he did for a significant period of time. And I've taken into account the disappointment, confusion and upset I think this error has understandably caused Mr R when recommending Prudential pay him £1,000 in total compensation. For the reasons I've given, I think this is a fair and reasonable amount in the circumstances to make up for the distress and inconvenience caused to Mr R and I'm not asking Prudential to do any more than this.

### **My final decision**

For the reasons I've given, I partially uphold Mr R's complaint and require The Prudential Assurance Company Limited to pay him £1,000 in total compensation for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 September 2022.

Holly Jackson  
**Ombudsman**