

## The complaint

Mr W complains that The Prudential Assurance Company Limited (Prudential) led him to believe that he had three pension policies when he only had one.

Mr W says he made plans and payments based on the incorrect information.

## What happened

Mr W says that in late 2020, he logged on to his online Prudential account to find that one of his pension plans had disappeared and his personal details had been altered.

After Mr W raised his concerns with Prudential, it investigated and found that it had linked policies to him as Mr W had the same surname and date of birth as another policy holder. One of those policies had been cashed by the other policy holder. Mr W only held one pension policy with Prudential.

Prudential apologised and offered Mr W £2,000 compensation. Mr W wasn't happy with the proposed outcome. He said that because of Prudential's mistake, he'd made major financial decisions including gifting £15,000 to a relative and reducing his working hours. Mr W wanted Prudential to pay him the pension he'd been expecting for around 17 years.

The investigator thought that Prudential's offer of compensation was fair. Mr W disagreed. He was expecting to retire with a pension pot worth around £70,000. Mr W said he wouldn't have gifted the money to his relative if Prudential hadn't made the mistake. And Mr W said if he'd not anticipated benefiting from around £70,000 on retirement, he would've set up a new pension many years ago.

I issued a provisional decision on this complaint in July 2022. In that decision, I explained why I thought Mr W's complaint shouldn't be upheld. As those findings form part of this decision, I include some extracts below. In my decision I said:

*Mr W has expressed concerns that he can still access the other policyholder's details online, including the other policyholder's pension. And Mr W thinks the other policyholder can also see his details. As far as I can see, Mr W's own data hasn't been compromised, and Mr W hasn't provided any firm evidence that this has happened or that he has lost out as a result.*

*Therefore, whilst I can appreciate why he has little confidence in Prudential's systems, I don't have anything specific to address on this issue or any potential loss to consider. I won't therefore consider this part of Mr W's complaint in my decision. There's no dispute that Prudential gave Mr W information about pension policies that didn't belong to him. So, my decision focusses on whether Prudential's offer of compensation goes far enough to put things right for Mr W. It will disappoint Mr W but I agree that £2,000 is fair compensation and I will explain why.*

*Based on the evidence we've been given, it appears that Mr W only has one pension policy with Prudential. This means that the other two policies that Mr W could see*

*online don't belong to him. Mr W is not entitled to receive the benefit of the policies, so putting him back in the position he would've been in had the mistake not happened, wouldn't lead to him receiving the pension benefits that were never his in the first place.*

*However, Mr W says that he made irreversible financial decisions because of Prudential's mistake. To reach my decision, I've considered whether it was reasonable for Mr W to make these decisions based on the belief that his pension pot would be £70,000 instead of around £10,000.*

*Mr W says that Prudential has been sending him statements for the other pensions for years. I haven't seen these statements but I accept what Mr W has told this service. However, I'm not persuaded that it was entirely reasonable for Mr W to have relied on having a substantially larger pension when making the financial decisions that he took.*

*Mr W told the investigator that he was surprised about how much his pension pot was. I appreciate that he had spoken with friends who had pension pots of £50,000 but hadn't been contributing to them for some time. However, there's a big difference between a pension that is worth around £10,000 to one that is worth seven times this amount. I would've reasonably expected Mr W to query the value with Prudential at some point but I don't have evidence that he did this. This would have prevented the problem escalating in the first place. And in the absence of this, I don't think it reasonable for Mr W to have assumed his pension had increased so significantly.*

*I agree that Prudential made a significant mistake that has caused Mr W a great deal of anxiety and upset. But for the reasons I've outlined above, I'm not persuaded that it was reasonable to make the financial decisions Mr W did without querying things further with Prudential.*

*Mr W told the investigator that he stopped paying a Prudential policy years ago – presumably the one that he still holds – because to achieve the value that he wanted on retirement Mr W would have had to increase his monthly payments. Mr W's testimony indicates that he was aware he'd have to make higher monthly contributions to achieve a larger pension pot but wasn't willing to do so. So, I don't think he would have contributed more even if he had followed up with Prudential and realised he only had one pension.*

*It was Mr W's decision to gift money to his relative before he'd cashed in his pension. The final value of his pension hadn't yet been determined and the value can go down as well as up. I don't think I can reasonably require Prudential to make up the shortfall between the actual value of Mr W's Prudential pension and the value of the gift.*

*Mr W may have come to believe the policies were his, but he had the benefit of the money he gave to his relative and the money he may otherwise have paid to his existing pension or a new pension, if he'd known the true position.*

*I am very sorry to hear about the distress the mistake has caused Mr W. But for all the reasons I've outlined above, I don't consider it entirely reasonable that he made the financial decisions he did or suffered a direct financial loss because of the misleading information. I consider Prudential's offer of £2,000 fairly reflects the loss of expectation and distress that Mr W felt.*

I invited both parties to provide any further comments or evidence in response to my

provisional decision. Mr W confirms he received my provisional decision but hasn't asked me to consider anything further. Prudential hasn't responded to my provisional 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.

As I haven't been asked to consider any further information or evidence, I find it reasonable to make my final decision along the same lines as my provisional decision.

Prudential sent Mr W a cheque for £2,000 in early 2021. Although cheques don't technically expire, it's likely that a bank won't accept the cheque as more than six months has passed. If Mr W accepts my decision and he no longer has the cheque or can't pay it in, Prudential should arrange with Mr W to make the payment.

### **My final decision**

My final decision is that The Prudential Assurance Company Limited has already made an offer to settle Mr W's complaint that I think is fair. If Mr W hasn't already cashed the cheque, The Prudential Assurance Company Limited should pay him £2,000

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 October 2022.

Gemma Bowen  
**Ombudsman**