

The complaint

Mr C complains that due to failings by The Prudential Assurance Company Limited ('the Prudential') he had no choice but to transfer his pension and lost out on guarantees as a result.

What happened

Mr C said that in August 2018 he noticed that around 42% of his policy units had disappeared. The Prudential initially denied this before agreeing there was a problem and reinstating the missing units. Since then he had also had problems with them sending highly sensitive personal information to addresses, he didn't live at any longer and on occasion to an address he had never lived at. He said he was told it was unable to send annual statements and he had to request them, as they needed to be produced manually. It couldn't explain the loss of units. He was concerned that had he not noticed they would have been lost forever. He was unable to see any values online. The waiting times on the telephone were more than an hour. Eventually he felt he had no choice but to transfer away. He found the documentation and instructions for transferring away unacceptable. He didn't think any reasonable person would have remained invested with Prudential after the experiences he had. He had lost guarantees worth more than £1,000 because some of the units had a guaranteed annual bonus of 4%. He felt a payment of around £1,250 would be reasonable compensation for his loss.

The Prudential said that it was Mr C's decision to transfer his plan and therefore to give up the guarantee. It was not obliged to compensate him for that decision. It had acknowledged its other service failings and paid an appropriate level of compensation for those. It said that in 2020 Mr C had complained because it used an incorrect address. His complaint was upheld but it continued to make the same error in 2021. It had sent an annual statement in January 2021 and a valuation in April 2021 to an incorrect address despite holding his correct address. The annual statements sent on 15 January 2021 were for values as at 6 December 2019 so were over a year out of date. It acknowledged it failed to send the values for December 2020 until 22 April 2021. Because his valuations had to be calculated manually it wasn't possible to view them online. It should have been able to provide the required valuation within 5 working day but didn't and accepted it took far too long to do so. It noted that in common with all customers there were long wait times in trying to get through by phone. If his transfer was delayed it would pay compensation to ensure he wasn't worse off. It would not compensate for lost guarantees. It accepted that when he requested transfer papers some information was missing, unclear and poor quality. It agreed that it had 'continuously let him down in terms of the level of service it aimed to provide' It arranged to send £500 by way of apology for distress and inconvenience.

My provisional decision

I issued a provisional decision in this complaint. I said the following.

It was clear that the Prudential had made a mistake as it accepted that and acknowledged it had let Mr C down in terms of service. I did not need to consider this further and could therefore consider an award for any financial loss and distress and inconvenience.

It did not seem that there had been any financial loss (aside from Mr C's claim about the guarantees). I said that because the missing units were reinstated and Mr C had since received valuations and had not questioned them. So I assumed he is content this issue was corrected.

I noted also that there was a delay in making Mr C's final transfer payment but that the Prudential paid an additional around £600 for the financial loss associated with that. There was then a further delay in issuing the cheque to make this payment and it added a further £200. These matters were not the subject of the original complaint but I mention them because they add to the pattern of mistakes made by Prudential. However it did not seem that Mr C had said he lost out financially and I assumed that the payments made by the Prudential were sufficient to cover his financial loss due to the delay.

It was clear Mr C was frustrated and decided to move his policies away. While he claims that the Prudential should pay him for his lost guarantees it was clear it would not, before he transferred, but he still decided to transfer. So Mr C did not rely on a representation from the Prudential that he would be compensated for the lost guarantees.

Mr C didn't have an automatic right to transfer away and keep the benefit of the guarantees. But he feels that in the light of all that happened he had no choice but to transfer and the Prudential should cover his lost guarantees. But I didn't agree. I said that because he did have a choice. While I understood his frustration, the missing units were reinstated; his address was eventually correctly used and he was able to get valuation information. So it did seem that the main problems were overcome, though perhaps not in the timescales Mr C might have preferred. While these issues damaged Mr C's confidence in the Prudential and put him to trouble, they were corrected so I didn't think they were sufficient to merit a transfer on the basis the Prudential should pay for the lost guarantees.

I considered an award for distress and inconvenience. Such an award was to reflect the impact of the mistakes on Mr C not to punish the Prudential. I mentioned that because Mr C referred to the Prudential escaping without consequence for its poor behaviour. We are all inconvenienced from time to time so it was not unusual to experience some level of frustration in day to day life. But I thought that Mr C has suffered distress and inconvenience that was greater than might be expected. I said that due to the seriousness of the mistakes (e.g. sending personal information to addresses he had never lived at and to former addresses, errors in unit entitlements in the policy) and the fact they continued over a period of time (e.g. saying his address had been updated but still sending information to an old address so it was clear that had not updated at all), and delays in providing requested information. The Prudential also acknowledged it had continuously let Mr C down. I also noted that he was frustrated enough to decide to transfer his policies to another provider. While there may have been benefits as well as disadvantages (loss of guarantees) from doing so, it would have involved time and effort for Mr C, so he must have reached a tipping point where he felt it was better to transfer.

I could also understand that Mr C grew increasingly frustrated with time due to the build-up of issues. However Mr C had not suggested that sending information to an incorrect address caused him any actual loss or embarrassment.

I could understand that the inability to view his policy online and the fact annual statements needed to be requested and calculated manually didn't make life easy for Mr C. I could also understand this pattern probably did not fit with the expectations of easy access we are now more used to in day to day life. But that did not mean that Mr C was entitled to that level of access. It wasn't for this service to tell the Prudential how to carry on its business and I was not aware that Mr C had a contractual entitlement to view his valuations online or to

automatic annual valuations (without prior request).

However I did think the mistakes with his address might have made him more concerned that manual calculations might be subject to the same careless human errors. I could also understand that lack of online access meant gaining reassurance about valuations was harder to achieve.

I thought the impact of all of the problems caused considerable distress upset and worry that needed a lot of extra effort to sort out and lasted for some time. But I didn't think the impact caused serious offence or humiliation or embarrassment for Mr C nor was his life seriously disrupted.

Given all of the above I thought an award of £750 is fair and reasonable in the circumstances

I proposed to uphold this complaint and direct that the Prudential should pay Mr C £750 for distress and inconvenience. For the avoidance of doubt it need only pay a further £250 if it has already paid Mr C £500.

Mr C said accepted my provisional decision.

The Prudential said it would agree to the increase in the proposed award for distress and inconvenience.

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 both parties have accepted my decision I have not changed my mind.

Putting things right

To put things right the Prudential should pay Mr C £750 for distress and inconvenience.

My final decision

I uphold this complaint.

I direct that the The Prudential Assurance Company Limited must within 30 days of this service notifying it that Mr C has accepted this decision, pay Mr C £750 for distress and inconvenience.

For the avoidance of doubt it need only pay a further £250 if it has already paid Mr C £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 November 2022.

Colette Bewley
Ombudsman