

## **The complaint**

Mrs S complains that The Prudential Assurance Company Limited failed to provide her late husband with sufficient information when he purchased an annuity from the firm in April 2014. She says that, as a result, her late husband purchased an annuity without dependent's benefits so leaving her without that income following his death.

## **What happened**

Mrs S has been assisted in making this complaint by a family member. But for ease, in this decision, I will generally refer to all communication as having been with, and from, Mrs S herself. The complaint relates to the sale of an annuity to the late husband of Mrs S. In this decision I will refer to Mrs S's late husband as Mr S.

Mr S held pension savings with Prudential. In 2014 he used those pension savings to purchase an annuity from the firm. The annuity that he purchased did not provide any dependent's benefits. Mrs S has complained that Prudential failed to provide sufficient information to Mr S about that annuity. She says it is clear from the paperwork that Mr S completed at that time that he intended to purchase an annuity that provided benefits for her following his death. So Mrs S complained to Prudential about that had happened.

Prudential thought that it had sold Mr S the annuity that he had requested – on a single life basis. But it agreed that, like a number of other customers around that time, it had failed to give Mr S enough information about the availability of enhanced annuities for those suffering from certain health conditions. So it looked at whether Mr S might have been able to buy an enhanced annuity, and paid some compensation for the difference in the annuity rate he could have received. And Prudential failed to handle Mrs S's complaint as well as it should have – for example it sent its response letter to the wrong address. So it paid Mrs S £600 for the inconvenience she'd been caused.

But Mrs S didn't agree that her late husband had chosen a single life annuity, so she brought her complaint to us. The complaint has been assessed by one of our investigators. She thought that the evidence Prudential had provided confirmed that Mr S had been sold the annuity that he'd chosen. So she didn't think the complaint should be upheld.

Mrs S didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## **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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs S and by Prudential. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I was very sorry to hear of the death of Mr S and hope that Mrs S will accept my condolences. But since Mr S is unable to provide us with his testimony about what happened when the annuity was sold in 2014, I must base my findings on the documentary evidence that has been provided from the time.

Prudential holds a note of a phone call that it had with Mr S in 2019 when it was first reviewing whether he had been given enough information about enhanced annuities. At that time Prudential had asked Mr S to complete a lengthy form about his circumstances. Mr S advised Prudential that he found completing forms to be difficult, and preferred to discuss matters over the phone. And I have seen that when Mr S applied for his annuity there were some errors in the information he initially sent to Prudential. So that would lead me to conclude that Mr S might not have been entirely comfortable in the complex decisions he needed to make in 2014 about the form of the annuity he wished to purchase.

Prudential sent Mr S a number of quotations in the lead up to his retirement date and subsequent annuity purchase. Those quotations were given for both an annuity providing dependent's benefits, and those on a single life basis. But I think it is important to note that, initially, the dependent's quotations were based on assumed details for Mrs S. But, later in the process, Mr S provided information about Mrs S's date of birth, allowing Prudential to provide more specific information about the pension benefits that would be available.

So, at the time he needed to make his decisions about the annuity purchase, Prudential had provided Mr S with information about both types of annuity – those with, and without, dependent's benefits. And I think it is important to be clear at this stage that Prudential wasn't providing Mr S with any advice about the decision he needed to take. So it simply needed to provide Mr S with clear, fair, and not misleading information about his choices.

I think it is entirely possible that Mr S intended for the annuity to provide benefits for Mrs S should she survive him. He had requested quotations on a joint life basis, and provided details about Mrs S for those quotations to be issued. But I don't think I can reasonably expect Prudential to form the view that a consumer requesting joint life quotations is committed to that course of action. Mr S also requested, and received, quotations on a single life basis. Those quotations would have naturally provided a higher annuity income. So it is also possible, and not unreasonable, that Mr S might have preferred to take his annuity in that form.

In order for Mr S to purchase the annuity he needed to send a signed declaration to Prudential. When that form was first returned, Mr S had neglected to sign it. And he hadn't specified which of the various quotations that Prudential had issued was his choice. So Prudential sought further information from Mr S, first unsuccessfully by telephone, and later by letter. He then sent the signed form back, along with a copy of one of the quotations that

Prudential had previously sent him. I don't think it unreasonable that Prudential took the inclusion of that quotation to indicate that was the one that Mr S wished to be put into payment.

The declaration signed by Mr S was dated 6 April 2014. And as I've said above it was sent along with a copy of one of the single life quotations Prudential had provided. But Prudential also holds another form completed by Mr S that says it would be used to provide personalised pension quotes. The date that form was completed appears to have been altered, but reads 19 April 2014. So it would seem to suggest the form was returned to Prudential after Mr S had accepted the quotation two weeks earlier.

That form asked Mr S five questions that would lead to different quotations being generated. One of those questions was whether Mr S wanted benefits to be paid to Mrs S after his death. He answered that question as "Yes", and provided Mrs S's date of birth.

I don't know why this form was completed around two weeks after Mr S had accepted the quotation from Prudential. It is possible, since its receipt by Prudential hasn't been date stamped, that the date of signature on the form is incorrect. But even if the signature date were correct, I'm not persuaded that Prudential should have reasonably considered it to indicate that Mr S had changed his mind about the annuity he purchased two weeks earlier.

Sadly, given the passage of time, it is impossible to know with any degree of confidence what Mr S's intentions were when the annuity was purchased. But I am satisfied that he gave a reasonable indication to Prudential that he had chosen a single life annuity to be put into payment. I think that the information Prudential would have sent Mr S about the different payment options would have clearly shown the difference in the annuity amounts caused by adding dependent's benefits. So I don't think that Prudential did anything wrong.

I appreciate how disappointing my decision will be for Mrs S, at what no doubt remains a difficult time. But I am unable to fairly say that Mr S gave Prudential any reasonable grounds on which it should have concluded he wished to purchase a joint life annuity. So I don't think this complaint should be upheld.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 May 2023.

Paul Reilly  
**Ombudsman**