

The complaint

Mr Q complains that he suffered delays in being able to withdraw money from his pension and suffered distress as a consequence of communication and administrative failures by The Prudential Assurance Company Limited.

What happened

Mr Q had a Pension with The Prudential Assurance Company Limited (Prudential) with a future retirement date of 1 April 2022. In early August 2022, Mr Q contacted Prudential from overseas, where he is currently living, to make a claim regarding his pension. Mr Q sent Prudential a message through their online portal to say he had been holding for 30 minutes and asked for someone to call him back.

Prudential's records indicate that Mr Q had further discussions with Prudential in August 2022 including one occasion when Prudential tried to contact Mr Q but were unable to reach him on the number listed for him.

Mr Q wrote to Prudential on 13 September 2022 to say that he had submitted a Pension Claim Form three weeks previously but had not heard anything since. Mr Q said he tried to log on to the mobile application MyPru but was informed through the live chat function that his policy was closed and that he was no longer able to access the service. Mr Q asked for confirmation that the funds had been transferred.

On 21 September 2022, Mr Q wrote to Prudential again to say he had not received a reply to his previous enquiry. Mr Q said that, although his account had been closed, he had received no sign of the transfer into his UK bank account. He asked Prudential to email him and included a telephone number advising that the form would not allow him to include the country dialling code for his country of residence.

Mr Q also contacted Prudential by telephone whose records show that Mr Q had been worried as to where the funds from his pension were. The records also show that Mr Q asked for the funds to be paid immediately as he had waited long enough and was concerned by the lack of response.

Mr Q called Prudential again on 27 September 2022 seeking an update and, following a further unsuccessful attempt by Prudential to contact Mr Q by telephone, Prudential sought to escalate this internally. This appears to have been done on 5 October 2022 following which payment was made to Mr Q's UK bank account as requested.

Following a complaint by Mr Q, Prudential wrote to him on 20 October 2022 apologising for the level of service he had received and offered him £1,579.01 by way of financial loss on his claim amount, the sum of £25 to cover the cost of the telephone calls and a distress and inconvenience payment of £175.

In response, Mr Q wrote to Prudential on 28 November 2022 to say that he did not feel the compensation offered was adequate for the distress, the costs of telephone calls and time spent trying to arrange the claim and deal with Prudential.

Prudential sent Mr Q a final response letter on 1 December 2022 in which they listed Mr Q's concerns along with the findings of their further internal investigation. Prudential then offered Mr Q £83.09 for additional call costs and a further £250 in recognition of the distress and inconvenience caused bringing the total compensation for distress and inconvenience to £425 (although the investigator and Mr Q have both referred to £450, the actual amount was £425 with the discrepancy likely to relate to the £25 that was originally awarded for the cost of telephone calls).

Mr Q then referred his complaint to us. Our Investigator's initial view was that:

- Prudential have acknowledged they caused delays in paying out the pension and this is not in dispute
- Prudential have conducted a loss assessment for the period of delay and this is in line with the approach recommended by us.
- Prudential have fairly addressed the point in relation to loss for the period and Mr Q did not lose out financially as a result of their mistakes
- Prudential have also acknowledged that their customer service fell short on multiple occasions
- The compensation Prudential offered was satisfactory because the amount of £425 falls in line with the award we would make for this sort of error.

After receiving the Investigator's view, Mr Q wrote to the Investigator to say that he did not think £425 adequately compensated for the distress caused by the poor customer service. Mr Q said he thought Prudential should have been 'upfront and honest' about what was happening with his pension. He said that he thought the service was appalling and extremely stressful and that he thought the company may have ceased to exist and his pension funds subsequently lost.

Mr Q said that he had been forced to continue to work past his retirement age of 65 as a result of the issues with his pension. He also said that he felt that some of the distress could have been avoided by honesty, integrity and a return phone call. He said he did not agree with the Investigator's findings and did not think he had been adequately compensated.

Having reviewed this additional information from Mr Q, our Investigator recommended that Prudential increase their compensation for distress and inconvenience by a further £200 to account for the loss of expectation in relation to when he could take his retirement benefits.

Mr Q replied to say that he did not accept the revised offer as he did not feel this was adequate compensation for the "stress, hurt, humiliation and extra 4 months" he had to continue working all of which he said was caused by Prudential not meeting the standards expected.

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.

Having done so, and considered the view given by our investigator, I have reached the same conclusion and uphold Mr Q's complaint.

Mr Q's initial complaint to us focused on the compensation awarded for distress and inconvenience caused by the issues he faced in trying to make a claim from Prudential. In providing their final response, Prudential have acknowledged that they failed in meeting the required standards of service and that Mr Q had suffered both financial loss and distress as a result.

The correspondence following Prudential's final response letter and our Investigator's view shows that there is no dispute over the amounts awarded for the costs of the telephone conversations or the result of the loss assessment carried out by Prudential. The only outstanding issue therefore is the level of compensation offered to Mr Q for the distress and inconvenience caused by the service failures which is currently 'set' at £625 (the original £425 paid by Prudential plus the additional £200 suggested by our investigator and agreed to by Prudential, which Mr Q considers to be inadequate).

In considering whether or not this amount is sufficient, I have looked at the circumstances surrounding the service failures and how these affected Mr Q. I think it is reasonable that someone in Mr Q's position would be likely to be anxious and distressed at a lack of information about his pension claim. Mr Q had clearly requested confirmation about the status of his pension and where the funds that Prudential told him had been transferred had gone. It is clear that Mr Q suffered as a result of the failures of Prudential and that this could have been avoided had Prudential communicated properly with Mr Q and followed up his queries more promptly.

I am conscious that some factors affected communications between Prudential and Mr Q including the time difference between the UK and Mr Q's country of residence and the issues with international dialling. However, my view is that it should be fairly clear from reading messages from Mr Q that the time during which these calls were attempted were not a factor and Mr Q had taken steps to ensure the correct number together with the full international dialling code were passed on to Prudential so that he could be contacted. This is part of the failure on the part of Prudential.

Mr Q also said he had experienced issues with the mobile application he used to access and manage his account. Whilst I can imagine that this added to the anxiety and distress Mr Q experienced, I am aware that technical issues can occur with this type of service and, in itself, isn't always reason enough to say someone has suffered significant distress and inconvenience. It does however increase the importance of prompt and accurate communication with customers and this is something that they appear to have failed to ensure.

In addition to the poor communication from Prudential, Mr Q also experienced delays in the transfer of his pension funds as requested. It is not clear from the correspondence what caused this delay but I can see that, once the matter was escalated internally by Prudential, in October 2022, the transfer was completed within a few days.

There were therefore a number of factors which contributed to the distress experienced by Mr Q and I appreciate that the significance of the money concerned, being what he referred to as his life savings, and the worries about this being lost were extremely troubling for him and his wife. I do not think there is any doubt that Prudential should have done more to avoid this situation and to rectify it quickly once Mr Q made them aware of it.

Having said this, I think that £625 compensation for the distress and inconvenience arising from all of Prudential's failures is sufficient. It is always difficult to quantify how a situation

has affected an individual and to put this into a monetary context. In this case, we are looking at the anxiety of a situation in which Mr Q was concerned for the security of his pension fund because he was unable to receive the information he needed from Prudential. I note Mr Q's comments that he also had to delay his retirement date which he would not have had to do had he been able to get the reassurances he needed from Prudential. In considering Mr Q's experience, I do have to also take into account the mitigation from Prudential which includes the situation being slightly complicated by the time difference and difficulties in contacting Mr Q.

Considering these factors relating to how Mr Q may have been affected together with the compensation he received for the other, more easily quantifiable, losses, I think the sum of £625, in total, is adequate for the distress and inconvenience caused.

Putting things right

Prudential has already paid Mr Q compensation for the delay in him being able to draw his pension and for the cost of his phone calls, both of which Mr Q has agreed to. It has also paid the £425 which it originally thought was enough for the distress and inconvenience Mr Q experienced. Prudential must therefore now pay Mr Q a further £200 to better reflect the distress and inconvenience he suffered.

My final decision

For the reasons explained above, I uphold Mr Q's complaint. If it hasn't already done so, The Prudential Assurance Company Limited must now pay Mr Q £200 in order to bring its total distress and inconvenience payment up to £625. It doesn't have to do anything else in order to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 27 July 2023.

Rana Chatterjee
Ombudsman