

The complaint

Mr C complains that he was unaware that Prudential Assurance Company Limited had stopped collecting pension contributions payments from him.

Mr C would now like Prudential to pay him £3,000 for the trouble and inconvenience this issue has had on his retirement plans.

What happened

In December 2020, Prudential sent Mr C's annual statement to an address in a town that I will call G. Subsequent statements for 2021 and 2022 along with two bonus statements for the same years were addressed to Prudential's own offices. In October 2022, Prudential wrote to Mr C at his current address to explain that they needed some further information from him to update their address records.

As Mr C had set the pension up many years earlier, he explained that he was unsure of the information that Prudential were asking for and unable to answer their questions. Following a number of further exchanges, Prudential logged a complaint on Mr C's behalf. They went on to explain that his address had since been updated and to say sorry for the trouble that they had caused, they sent him £125.

Following the address update, Prudential then issued Mr C a pension statement. After reviewing the statement, Mr C was surprised to see that Prudential had not been collecting any contributions for a number of years. Shortly afterwards, Mr C decided to formally complain to Prudential. In summary, he said that he was unhappy that Prudential hadn't advised him that they were stopping collecting his contributions into his pension.

After reviewing Mr C's complaint, Prudential concluded they were satisfied they'd done nothing wrong because, they said, Mr C should have noticed that payments weren't leaving his bank account over the last 15 years and as such, he should have contacted them sooner. They also said, in summary, that because they had taken so long to respond to Mr C's concerns and he'd had to chase them multiple times, they were going to make a further payment to Mr C, meaning that they would pay him £500 in total, across all of the concerns that he raised.

Mr C was unhappy with Prudential's response, so he referred his complaint to this service. Despite raising a number of concerns with Prudential, Mr C's complaint to this service focused on just the one issue – the fact that he was never advised by Prudential that his pension payments had stopped being collected in 2008.

The complaint was then considered by one of our Investigators. He concluded that Mr C should have identified from his bank statements sooner that Prudential weren't collecting his pension premiums, so he didn't think that he had been treated unfairly. Our Investigator also felt that the £500 that Prudential had paid Mr C for the delays in responding to his complaint looked reasonable.

Mr C, however, disagreed with our Investigator's findings. In summary, he said that Prudential had failed to provide him with the information that he needed to make informed decisions about his retirement and as such, he wanted the case escalated to an Ombudsman to review.

The case now comes to me for a 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.

I have summarised this complaint in less detail than Mr C has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts. Instead, I will focus on what I find to be the key issue here, which is whether Prudential have treated Mr C unfairly by not advising him that his premiums had stopped being collected.

My role is to consider the evidence presented by Mr C and Prudential in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence that we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr C's complaint - I'll explain why below.

I appreciate how concerned Mr C must have been when he saw his pension statement in 2022 and realised that contributions weren't going into his plan, especially as he approached his 75th birthday. Mr C has explained that because Prudential failed to collect and invest his premiums, his pension fund is less than it should be. Despite their efforts, Prudential haven't been able to shed much light on why they stopped collecting Mr C's monthly payments in 2008, although I well suspect (although I can't be certain) that it may have been linked to him reaching his 60th birthday that year. And, given the nature of Mr C's complaint, it's clear he is of the view that he didn't instruct Prudential to stop his contributions. So, it's unclear who is responsible for the premiums being stopped, but I don't think that matters.

I say that because in any event, whilst I accept that some consumers may not review their bank account on a regular basis, I think there becomes a point when, during the course of 15 years, it is reasonable to expect that Mr C should have noticed premiums that he thought were being collected and then credited to his pension, weren't being debited from his bank account.

Whilst I also accept there was a window of time when Prudential didn't have Mr C's correct address and so weren't able to send him any pension statements, I don't think the absence of those pension statements makes a difference to the outcome of the complaint. And that's because the regular premiums that Mr C may have thought he was making to the pension, would have been accumulating in his current account. However, it is Mr C's responsibility to

ensure that Prudential always have his most up to date address when he moves house so that they can continue to send him up to date statements. Given that he didn't receive a pension statement for several years, this should have prompted Mr C to contact Prudential so the issue could likely have been spotted sooner than it was.

Our Investigator wasn't able to determine Mr C's address history, so it isn't immediately obvious which statements Mr C received and the point at which he stopped receiving them. But, from what I've seen of Prudential's pension statements, I'm satisfied that they're very clear; there's a section within them that sets out what contributions have been received over the last 12 months, so I think during the course of the last 15 years, it's more likely than not that Mr C would have received several statements and, had he read them, he would have seen that no payments were going into his pension. Whilst we don't have Mr C's address history, he does currently reside abroad. So, depending upon the length of time that he has been living overseas, this would impact on his eligibility to contribute to a UK based pension scheme and still receive tax-relief anyway.

Mr C says he wants Prudential to pay him £3,000 to make up for the trouble caused and income that he's now lost out on. But, in order for me to make an award, I would need to be satisfied that Prudential's actions had resulted in some form of financial detriment to Mr C. For example, had Prudential collected his premiums but not invested them, then I would instruct Prudential to make good any investment losses – but I've seen nothing to make me think that Prudential treated Mr C unfairly. However, consumers also have a responsibility to mitigate their own losses too and, as I've already set out above, Mr C could have done so by looking at his bank statement and thereby identifying the issuer sooner.

In his complaint to this service, Mr C has explained that he is unhappy about the length of time that Prudential took to reach a decision on his complaint. As complaint handling isn't a regulated activity, I won't comment on the actions of Prudential in this regard, other than to say that they have already paid Mr C £500 for the trouble that they caused him in dealing with this issue. I see no reason to alter that as it has already been paid and it appears fair and reasonable in the circumstances.

My final decision

I'm not upholding Mr C's complaint and I won't be instructing Prudential Assurance Company Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 April 2024.

Simon Fox
Ombudsman