

The complaint

Mr K complained that The Prudential Assurance Company Limited (Prudential) delayed him taking his retirement benefits owing to the poor service it provided him. He would like the compensation it has paid him for distress and inconvenience to be increased.

What happened

In December 2022, Mr K contacted Prudential to explore his options for taking his pension benefits. He was living overseas at this time, spending time in three different countries. Prudential undertook to provide him with a retirement options pack which would explain these options. He states that this information did not arrive, so he contacted Prudential to ask for this information, before complaining to Prudential in January 2023 that its delay in sending the documents was delaying him from taking his pension benefits.

Prudential issued a final response letter on 21 January 2023 in which it upheld his complaint and acknowledged that it had not adequately responded to Mr K's request and apologised for its poor service. It confirmed that the documents had been posted to his registered address on 11 January 2023 and also provided a copy via secure message. To resolve his complaint, Prudential offered to complete a redress calculation to determine whether he'd been financially disadvantaged by the delay. It also sent him £175 compensation for distress and inconvenience.

As Mr K was living outside the UK, Prudential required further information to complete its security checks and it also needed to speak with him discuss the available options and the risks associated with each. Calling from overseas, he encountered technical problems when trying to contact Prudential. He sent a number of messages to Prudential over the following weeks, in which he asked it to contact him, giving a specific time for contact owing to the substantial time difference between his location and the UK. Prudential promised to call him, but did not keep the appointments.

Mr K then raised a further complaint about the poor service and delays in taking his pension benefits in May 2023. Prudential sent a further final response on 17 May 2023. In this, it upheld his complaint and apologised for the poor service he had received, including the missed telephone appointments.

It went on to explain that a completed call was necessary to begin the process of taking benefits and asked him to send his preferred contact details so that a call could be scheduled.

It also repeated its offer of a redress calculation to see if he had suffered any financial loss owing to the delay and offered a further £175 in relation to the distress and inconvenience its delays had caused him.

Following this, the call finally took place in July 2023. Prudential explained that it required further information from Mr K in order to prove his identity and satisfy its security checks. He provided the required documentation in August 2023 and Prudential began the process of making the withdrawal of benefits. Mr K had requested that the funds be sent to an overseas

bank account, which Prudential was unable to comply with. It wrote to him on 25 August to explain that it would have to make payment to UK based account.

In the meantime, Mr K had brought his complaint to this service on 13 July 2023, as he remained unsatisfied with the ongoing delays and the level of compensation he had been offered in respect of his distress and inconvenience.

He also contacted Prudential to complain about the ongoing delays, and that he had not received any of the compensation he had previously been offered. Prudential issued a third final response letter on 1 September to repeat its offer of a redress calculation, apologise for the ongoing delay and offer a further £250 in compensation in relation to his distress and inconvenience, making a total of £600. It also offered to reimburse him for any telephone charges he had incurred when contacting Prudential on numerous occasions.

Mr K continued to communicate with Prudential to try and facilitate the release of his pension benefits. He was initially told that the information he'd provided was not sufficient. But then he was advised that the required fund repayment form had been added to his account on 22 August 2023 and the correct bank statement, had been added on 12 September 2023. However, as it considered that Mr K resided in what it considered a 'high risk' country, it had passed the information to its security team to conduct further checks before the funds could be released.

Prudential issued a further, fourth final response to Mr K's complaint on 20 October 2023. In this it again accepted responsibility for the lengthy delay to Mr K being able to take his benefits. It confirmed that the benefits had been paid to him, and that its investigation had concluded that if it had acted correctly, he should have received his benefits on 1 February 2023.

It calculated that he had incurred a financial loss of c£875, including interest at 8% pa simple for the duration of the delay. It added a further £300 compensation for distress and inconvenience to the £600 already offered in this respect, making a total of £900. The compensation was paid directly into Mr K's bank account.

Mr K remained unhappy with this offer and asked our service to consider his complaint. Our investigator reviewed the evidence in this case and recommended that Prudential should take no further action, as although it had made errors and delayed Mr K receiving his benefits, it had compensated him appropriately given the circumstances of the complaint.

Mr K disagreed, and so this case has been passed to me to review the evidence again and make a final 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.

Having done so, I agree with our investigator and uphold this complaint. I also, however, agree that the compensation that it has paid Mr K is fair and reasonable in the circumstances, so I will not be asking it to do anything other than pay him the compensation it has already offered him.

I can appreciate that this will be disappointing to Mr K, so I will explain my reasons. Firstly, I should explain the role of our Service. As an informal dispute resolution service, our role is to resolve individual disputes between consumers and businesses. And where we think a business has made an error or treated the consumer unfairly, we'll ask that business to put

things right, that is, to put the consumer back into the financial position they would have been in had the business not made the error. We also have discretion to award compensation to reflect the distress and inconvenience that the error has caused the consumer.

In this case, there is no doubt that Prudential made a number of errors and did not give Mr K the level of service he should have been entitled to when he asked to take his pension benefits. Prudential has acknowledged and apologised for the mistakes it made.

As it has done this, I will not review the merits of this case, but instead look at the compensation it has offered Mr K in respect of mistakes Prudential made and the delay it caused to him and the distress and inconvenience that he suffered while trying to get Prudential to carry out the transfer.

The first element of this is establishing whether Mr K suffered a financial loss as a result of the delay to him receiving his benefits. Prudential has carried out a review and established that he did, indeed suffer a loss. It has carried out a calculation to establish the amount of the financial loss that Mr K had suffered because of the delay, and added interest to this amount to compensate him for the delay in him receiving his funds. This is in line with what this service would expect it to do, so I find that this element of the compensation is fair and reasonable in the circumstances.

Turning now to the issue of compensation for the distress and inconvenience that Mr K suffered, this is a more subjective decision. From the evidence provided, it is clear that Mr K was proactive in contacting Prudential, both by telephone and secure message. I have reviewed the evidence that shows he attempted to contact Prudential on numerous occasions, receiving automated replies, contradictory information and was told that he would receive calls from Prudential which failed to materialise. He has stated that this situation caused him a significant amount of stress, frustration and anxiety over a prolonged period of time, which I can well understand.

Prudential has paid Mr K a total of £900 compensation in respect of the distress and inconvenience its mistakes caused him. He feels that this is an inadequate amount, given the effect this had upon him.

When deciding what level of compensation I think would be appropriate in the circumstances of this case, I have to take note both of the evidence of the harm caused to Mr K and the guidelines that our service publishes to ensure that compensation is both fair and reasonable.

The guidance published on our website states that for:

An award of over £750 and up to around £1,500 could be fair where the impact of a business's mistake has caused substantial distress, upset and worry– even potentially a serious offence or humiliation. There may have been serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes over a year.

As I previously mentioned, Prudential has paid Mr K £900 in respect of his distress and inconvenience. While I can appreciate the considerable effort Mr K put into attempting to prompt Prudential into dealing with his request to withdraw his pension benefits and the effect it had on him, I think that the amount it has paid him is fair and reasonable in the circumstances of this complaint.

Putting things right

The Prudential Assurance Company Limited has offered Mr K:

- £875 in respect of his financial loss, including interest at 8% per annum simple
- £900 in respect of his distress and inconvenience

I find this to be fair and reasonable compensation and that it need do no more to resolve the complaint.

My final decision

For the reasons explained above, I uphold Mr K's complaint.

However, I shall not be asking The Prudential Assurance Company Limited to take any further action in relation to Mr K's complaint above that which it has already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 April 2024.

Bill Catchpole
Ombudsman