DRN-4723383

The complaint

Mr A complains that advice given by Prudential Assurance Company Limited ("Prudential") to transfer the deferred benefits of his defined benefit pension plan to a personal pension wasn't in his best interests and caused him a financial loss.

What happened

This complaint follows on from a previous one Mr A asked us to consider in March 2021. In that complaint Mr A thought Prudential should've let him know sooner that the cash equivalent transfer value ("CETV") of the benefits in his occupational pension scheme ("OPS") was incorrect due to a calculation error made by the trustees of the OPS. The amount received by Prudential was around £118,000 less than expected which meant the tax-free lump sum which Mr A had intended to use to reduce his interest-only residential mortgage was also lower. Mr A said if he'd known the actual amount sooner he may not have transferred. That complaint was resolved by way of a final decision, which upheld the complaint in part and required Prudential to pay Mr A £600. But the ombudsman thought it likely Mr A would still have transferred regardless. And if he now wished to complaint about the professional advice provided by Prudential (rather than the service), he'd need to raise that separately, which is the subject of this complaint.

Mr A had deferred benefits in a defined benefit ("DB") occupational pension scheme ("OPS) with his employer ("F"). At the time of the advice Mr A was 55, and his family home was worth £750,000 with an outstanding interest-only mortgage of £291,000. Mr A also (jointly with his wife), owned two buy-to-let properties which were generating rent to supplement the household income. Mr A wanted to transfer the benefits of his OPS to a personal pension, in order to release a tax-free lump sum with which to reduce the interest-only mortgage on his residential property, to meet his objective of being debt-free in retirement.

The CETV obtained by Prudential in November 2019 guaranteed until February 2020 showed a value of £751,360, but it later transpired the trustees of the OPS had made a *"clerical error"* in the calculation and the correct figure was £633,328. Prudential's suitability report issued on 25 February 2020 recommended the transfer based on the higher CETV. Mr A accepted the advice for which he paid around £19,000, and the transfer to a Prudential Retirement Account went ahead. But in August 2020 when the error in the CETV became apparent, Prudential reassessed the proposal at Mr A's request. They still recommended the transfer despite the lower CETV, as the best way to meet Mr A's objectives.

Prudential initially expected to receive the balance of funds, and Mr A was very unhappy when it transpired the amount received was correct. Prudential explained its advice had been given in good faith, and it couldn't have known the CETV was incorrect.
Despite chasing the OPS since May 2020, they weren't notified of the clerical error until 10 August 2020, so Mr A should address his concerns about the incorrect CETV to the trustees of the OPS. Mr A subsequently did so and was offered £1,000.

Prudential responded to the complaint about its advice in May 2023 but didn't uphold it. The advice had been reviewed in 2021 by a pension transfer specialist, and even at the lower valuation the modelling showed the transfer was still suitable for Mr A as the personal pension should still provide his retirement income requirements until at least age 120. And it met Mr A’s primary objective to release sufficient cash to reduce his debts and improve his level of income.

Mr A referred his “advice” complaint to this service where it was considered by an investigator. He upheld it on the basis of the Financial Conduct Authority’s “*presumption of unsuitability”* in relation to transfers from a defined benefit (final salary) pension. He thought Mr A had other sources of funds to reduce his residential mortgage, such as selling his other properties, and as he didn’t intend to retire until at least 60, there was no compelling reason for the transfer. So he set out how Prudential should compensate Mr A for the guaranteed benefits he’s lost.

In response Prudential provided some information about the events which led up to the advice to transfer. This showed that Mr A had originally met a Prudential adviser about his pension in June 2019 when he’d been an “active” (contributing) member of his OPS. Prudential’s policy in those circumstances is to explain they do not offer advice on pension opt-outs, due to the loss of guaranteed benefits, and this was confirmed in writing on 14 August 2019. But on 16 August 2019 Mr A instructed his OPS that he wished to opt out as an active member. And as Mr A is still an employee of F, he was obliged to join their stakeholder defined contribution pension scheme.

Mr A emailed the Prudential adviser on 17 October 2019 to explain that while he understood he was acting against their recommendation, he’d opted out of his OPS. Saying he wanted to take his pension benefits flexibly and “*Most importantly, I require the tax-free lump sum immediately”* because he intended to invest in a property.

Having reviewed everything again, Prudential still felt the advice was suitable, based on the information Mr A provided at the time. And as Mr A had opted out of his OPS against their recommendation in order to transfer, he was clearly set on that course of action. So they didn’t accept the investigator’s premise that Mr A wouldn’t have transferred if he’d been advised not to.

Provisional findings

I issued a provisional decision on this case in March 2024, as the new information led me to a different conclusion from the investigator. I’ve summarised my provisional findings below:

> When considering a complaint about pension transfer advice, I take into account relevant law and regulations, regulator’s rules, guidance and standards that the adviser had to observe to ensure the recommendation was suitable.
>
> Where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.
> The applicable rules and guidance included the Principles for Businesses (PRIN) and the Conduct of Business Sourcebook (COBS). I think the key ones were as follows:
>
> - PRIN 2.1 - Principle 6: A firm must pay due regard to the interests of its customers and treat them fairly.
> - PRIN 2.1 - Principle 7: A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair, and not misleading.
> - COBS 2.1.1R: A firm must act honestly, fairly, and professionally in accordance with the best interests of its client (the client's best interest’s rule).

- The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability.
- And the provisions in COBS 19 which specifically relate to a defined benefit OPS transfer, in light of the valuable guaranteed benefits involved.

As the investigator explained, the regulator, the Financial Conduct Authority (FCA), states in COBS 19.1.16 that:

> *"When advising a customer who is, or is eligible to be, an active member of a defined benefits occupational pension scheme whether he should opt out or transfer, a firm should:*

- *(a) start by assuming it will not be suitable, and*
- *(b) only then consider it to be suitable if it can clearly demonstrate on the evidence available at the time that it is in the customer's best interests."*

So, Prudential should have only recommended a transfer if it could clearly demonstrate that the transfer was in Mr A's best interests, based on his particular objectives and circumstances.

Prudential has provided a copy of the fact find compiled by the adviser (Ms M) at an initial meeting in June 2019 with Mr A and his wife, and then updated over time by the second adviser (Ms V) who dealt with the pension transfer. The relevant details are as follows:

- Mr A was aged 55, (so was at an age he could legally access his pension benefits), and Mrs A was a few years younger.
- They had two non-dependent children.
- They were both working, Mr A at company "F" (his OPS), earning around £55,000 making him a higher rate taxpayer, and Mrs A earning around £27,000.
- Their state pension age is 67.
- As well as their salaries, the couple received monthly income of around £2,800 from two rental properties.
- Their residential property was valued at around £750,000 and was subject to an interest-only mortgage of around £291,000 which was costing £370 per month to service. The mortgage end date was given as October 2023.The repayment method was noted as "*TFC and disposable income for extra payments*".
- The two buy-to-let ("BTL") properties jointly owned by the couple with a combined value of around £970,000 (£550,000 and £420,000), were subject to outstanding mortgages of £264,000 and £306,000 (total £570,000) which ended in 2039 and 2037 (when Mr A would be 75 or 73).
- Mr A was assessed as a medium risk investor.

In terms of pension provision the fact find recorded Mr A had:

- a defined contribution pension valued at around £129,605;
- a paid up AVC plan (no value recorded)
- a defined benefit pension (with F) which he'd left on 16 August 2019 (in November 2019 the CETV at date of leaving given as £621,755)

Mr A joined his employer's group stakeholder pension in September 2019.

Under the section "*Client's reason for meeting*" it was recorded that Mr A wanted to receive advice on transferring his OPS to Prudential because he "*believes that the* *tax- free lump sum will help to clear some of [his] outstanding mortgage now, and have it repaid by the time [he] intends to retire at age 60*".

It noted Mr and Mrs A had been using spare income to reduce the mortgages as much as possible, which has led to them having minimal savings or investments to rely on. The fact find notes the adviser was aware Mr A hadn't used his ISA allowance that year and offered to look at options for savings. But Mr A didn't want advice on that, as his main objective was retirement planning. It's recorded they had hoped to retain one of the investment properties, but in reality they thought they'd eventually need to sell them both by the time Mr A is 60 to realise their wish to be entirely debt-free in retirement.

The report went on to analyse their income needs in retirement, including a sum for holidays which they'd need until age 75. Mr A also wanted the flexibility so that should he pass away his entire pension could pass to his wife and children.

In August 2020 Prudential was told by Mr A's OPS that the CETV issued in November 2019, guaranteed until 28 February 2020 which included his additional voluntary contributions ("AVCs"), was overstated, as it had double counted the "*money purchase underpin"* element. But I'm satisfied that at the time of the advice Prudential wasn't aware the CETV was incorrect, and it provided its initial advice based on the quoted figure of £751,360. The trustees of the F OPS wrote to Mr A on 5 May 2020 to explain they'd made a payment of £633,328.28 to Prudential, which included £11,573.28 being Mr A's Additional Voluntary Contributions ("AVCs").

The suitability report and Transfer Analysis Report issued by Prudential in February 2020 recommended the transfer to the Prudential Retirement Account, based on the CETV received from the OPS. The report noted that if Mr A took benefits from this OPS at age 60 he'd be entitled to an annual income of just under £29,074, or a tax-free lump sum of just under £111,765 and a reduced annual pension of just under £16,765. And if he took benefits immediately (at age 56) which the scheme would allow, the tax-free lump sum would be £62,814, with an annual pension of £9,422. These options wouldn't enable Mr A to clear the outstanding residential mortgage or provide the level of income in retirement he was hoping for. Whereas transferring would release a larger tax-free lump sum of around £155,439, although this would still leave a balance on the mortgage to be cleared within five years, presumably by selling one or both of the BTL properties.

The suitability report included a comparison between the OPS and a personal pension. This explained that if Mr A wished to release the tax-free lump sum from his OPS he'd have to take his pension income at the same time. While drawdown income isn't guaranteed as it depends on investment performance, it does allow flexibility as income requirements can change over time. But the main advantage of remaining in the OPS, is that it would provide a guaranteed income for life, with annual increases, plus a spouse pension.

Prudential had also produced a Transfer Value Analysis report which explained that providing the same level of benefits as the OPS would cost an additional £357,361. But if Mr A took the same level of income from a drawdown plan as he'd be entitled to from his OPS it would last until around age 100, based on an annual return of 5%. And based on the debts being repaid and Mrs A continuing to work until she draws her occupational pension at 60, Prudential considered the funds would sustain until age 120.

I’ve seen nothing to suggest the Prudential adviser didn’t follow the regulatory rules, acted unprofessionally, failed to communicate clearly or that Mr A was treated unfairly.
So I’ve looked at whether Prudential demonstrated the transfer from a DB scheme was in Mr A’s best interests.

The “*compelling reasons*” why Prudential considered the transfer to a personal pension was suitable, were (in summary):

- the flexibility to take the tax-free lump sum immediately (to reduce his mortgage) but delay taking income until age 60, meanwhile he could continue to make overpayments to reduce it further;
- to top up their income, ahead of selling the BTL properties which will clear the remainder of the mortgage;
- if Mr A was to pass away, Mrs A would inherit the entire fund rather than just a 50% spouse pension, and could pass on the remainder to their children after Mrs A passes away;

The following reasons were given (in summary) to explain why the defined benefit OPS wasn’t so useful for Mr A:

- if Mr A were to release the tax-free lump sum from the OPS he’d be tied into taking an income at the same time, it didn’t provide flexibility.
- Once the BTL properties are sold to clear the mortgage, that income will also be lost, and the level of income from the OPS after the TFC was released wouldn’t quite meet their needs (monthly shortfall of £260) even if Mrs A continued working for a further ten years, and her income would reduce further once she accesses her pension.
- Taking benefits from the OPS wouldn’t meet their capital needs (ie to clear or significantly reduce the mortgage)
- After Mr A’s death, Mrs A would have a significant monthly income shortfall of around £675 from the spouse pension until she reached state pension age.

From the figures recorded, (appreciating they can change over time), it looks like there was sufficient equity in the BTL properties of around £400,000, or even just the pricier one, to clear the residential mortgage. Mr A had acknowledged it was likely he’d need to sell them both in order to retire debt-free. And he may not wish to be a BTL landlord in retirement. Mr A also had a defined contribution plan valued at around £129,605, which if he took benefits from that would release TFC of around £32,401, which he also could put towards reducing the mortgage.

But all this analysis was based on the incorrect CETV and might have been more finely balanced using the actual CETV of £633,328. Although in August 2020 Prudential issued an addendum to the suitability report based on the actual figure. And this concluded that the revised retirement modelling “*illustrates that there remains minimal shortfall risk in achieving your retirement plans as originally noted*” and would still sustain to age 120.

Considering the proposal from the FCA’s presumption of unsuitability, I agree with the investigator’s conclusion that Mr A had other options to reduce his residential mortgage, which wouldn’t have involved transferring from his OPS.
Which would mean that Prudential’s advice was unsuitable, and Mr A should’ve been advised not to transfer the benefits of his OPS to a personal pension, and instead to use his other assets to reduce/repay his mortgages prior to taking benefits from the OPS at age 60.

So I've gone on to consider what I think Mr A is likely to have done if he had been given suitable advice. Despite the evidence showing Mr A had opted out of his OPS against Prudential's advice, he now claiming that if Prudential had told him transferring wasn't in his best interests he wouldn't have done so. This service generally considers that consumers will accept professional advice given to them. But I'm not persuaded that would be the case here.

Mr A had discussed the idea of transferring his OPS with many of his work colleagues, who had already done so or were intending to. And these discussions took place before he consulted Prudential or had seen the CETV. His stated objective was to reduce the outstanding interest-only residential mortgage balance as much as possible, in the five years prior to his intended retirement age of 60, in order to avoid being forced to sell. The mortgage was up for review in October 2023, and although it wouldn't have been possible in 2020 to accurately predict future interest rate movements, Mr A may have been concerned his borrowing could become more expensive.

In response to the investigator's view, Prudential provided evidence of what was discussed in the initial meeting with the adviser (Ms M) in June 2019, when most of the information in the fact find was captured. It seems Mr A had approached Prudential to ask specifically about transferring out of his OPS, with the objective of reducing his mortgage debt. But the Prudential adviser told him it wasn't their policy to provide transfer advise to active members of an OPS. The adviser wrote to Mr A to explain the policy of not providing such advice was due to the loss of guaranteed benefits including "death in service" benefit. And that by opting out, there was no guarantee their advice would be to transfer. It gave Mr A the "Unbiased.com" website as a way of finding an adviser who would be prepared to provide such advice. Prudential has told us that while the letter was dated 24 June 2019, it wasn't issued to Mr A until 14 August 2019. But Prudential was aware that two days later on 16 August 2019 Mr A contacted the OPS and requested to opt out as an active member.

On 17 October 2019 Mr A emailed Ms M in reference to that letter. His email said "*I have now read and understand why you are advising to not opt out of the [F] Scheme. I have decided to go against recommendation and opt out as I want my benefits to be flexible. Most importantly I require the tax free lump sum immediately. I came to this decision of transferring my pension as I am looking to invest in a property*".

We don't have a copy, but Ms M must have responded, reiterating the advice not to opt out. As on 3 December 2019 Mr A replied, saying he understood the advice was for him to remain in the [F] scheme. But having gone through his finances he'd decided "*despite our conversation to opt out of the final salary pension scheme. I appreciate this is against your recommendation, but I believe the tax free lump sum I can draw will help me clear some of the mortgage now and have it repaid by the time I retire. I would be really grateful if you would advise me on the potential transfer of my pension".*

He concluded by confirming the OPS wouldn't allow him to re-join but he'd joined the other scheme open to him, being the F workplace defined contribution pension.
Ms M didn't have the additional regulatory permissions to enable her to advise on defined benefit pension transfers, which is why the advice was given by another Prudential Financial Planning adviser, Ms V. She reviewed the file to confirm the advice, which was then referred to a pension transfer specialist. Ms V met Mr A on 25 February 2020 to convey the advice which recommended the transfer.

It’s clear Mr A understood the advice against opting out of his defined benefit OPS, yet he did it anyway, being convinced it was the best way to reduce his mortgage. So I’m not persuaded he’d have followed Prudential’s advice if it had been against the transfer of his deferred DB pension to a personal pension.

The advice was given on 25 February 2020, and the CETV was only guaranteed to 28 February 2020. If Mr A was not sure whether to go ahead, he’d be aware that if he subsequently decided he did want to transfer, the CETV would need to be recalculated and he couldn’t be sure the value would be equal or higher.

The advice was based on Mr A’s primary objective of reducing his mortgage, to ensure it was fully repaid by his intended retirement age of 60 in 2024. This was confirmed in his email to Ms V on 3 December 2019, although in October 2019 Mr A said he was intending to “*invest in a property*”. In November 2023 when the investigator sought confirmation Mr A had reduced his mortgage, it transpired he’d actually used the tax-free lump sum to build an extension, pay for his daughter’s wedding and a holiday. But he did intend to make a lump sum reduction to the mortgage, as it only had ten years to run, suggesting he’d extended the term at the renewal point in October 2023.

Reducing a significant debt to avoid Mr A having to sell his home was a reasonable objective for Prudential to consider when assessing whether the transfer was suitable. And I think it was fair for Prudential to rely on what Mr A told them about his intentions. I can’t be sure if Mr A had told Prudential he intended to use the tax-free lump sum for discretionary expenditure which didn’t reduce his outstanding borrowing, the transfer would still have been recommended. The evidence suggests Mr A had decided he wanted to transfer in August 2019. So on balance, I think if Prudential had advised Mr A against the transfer, as they did in relation to the opt out, he’d have gone ahead anyway, even if it meant finding another firm prepared to facilitate the transfer. The Trustees of his OPS are likely to only require confirmation that Mr A had received regulated financial advice about his pension transfer, not that the transfer was recommended or that he followed the advice.

But I don’t think Mr A would be in a different position now if Prudential had given suitable advice and advised against the transfer. So it follows I don’t uphold this complaint and don’t require Prudential to do anything to put things right.

Responses to the provisional decision

Both parties responded. Prudential accepted the provisional decision and didn’t have any further comments.

Mr A disagreed, making the following points (in summary):

- Prudential based their recommendations on the valuation provided, it wasn’t for them to check it was correct;
- Despite the “*soft fact*” reasons for him saying he wished to transfer (such as repaying his mortgage) Prudential was obliged to assess “*does this transfer actually make sense”*
- The OPS should have “*red flagged”* to Prudential the value was over £100,000 wrong, and Prudential should immediately have raised the discrepancy with the OPS, and let Mr A know;
- Prudential should have reassessed the transfer based on the lower figure;
- The OPS pension has a large income factor in retirement which should not be taken lightly;

- A complaint to Prudential or the OPS administrators is pointless as they will never admit their failings, which is why Mr A came to this service;
- It's not necessarily accurate to say he would have transferred anyway, as he would have assessed it based on the new figures;
- He was obliged to join his employer's money purchase scheme, having opted out of the DB;
- He hasn't received any of the compensation payments referred to.

So I'm now in a position to issue the 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.

Before setting out my findings, I'll cover off a couple of points Mr A made which don't relate to this decision.

I don't disagree with Mr A that Prudential was entitled to rely on the CETV. But I'm not making any findings about the actions of the administrators or trustees of the F OPS, I'm only looking here at Prudential.

I've seen a letter from the trustees of the F OPS dated 27 September 2023 which reiterated a compensation offer of £1,000 what Mr A needed to do to accept it. So if Mr A has accepted that offer but not yet been paid, or if he hasn't yet accepted it and now wishes to do so, that's something he'd need to take up with them.

Mr A rejected the final decision on his other complaint, so it's not legally binding and Prudential isn't obliged to pay the £600 compensation. A decision cannot be accepted late, so Mr A can ask Prudential if it's willing to pay him £600, but this service cannot compel it to do so.

Mr A was never entitled to the inflated CETV as the trustees of the OPS have admitted to a calculation error. And I do understand his shock and disappointment at discovering the lower figure received by Prudential was correct. While the funds remain invested in his retirement account there is the prospect they will grow until Mr A decides to retire and take benefits. But the tax-free lump sum was calculated on the correct figure so will not be topped up as he'd been led to expect. I've already said Prudential didn't know the CETV had been calculated incorrectly until August, and Mr A agrees it was reasonable that its advice was based on the CETV it had been given.

As with all defined benefit transfers, the regulations require Prudential to consider it from the standpoint that it will not be suitable, due to the loss of guaranteed salary-related benefits (which Mr A now says should not be given up lightly). But it was also obliged to take account of his particular objectives and circumstances to determine, as Mr A puts it, whether the transfer made sense. Mr A's objective for transferring was to release the tax-free lump sum with which to reduce his outstanding mortgage balance. One reason which might tip the balance towards transferring is the need to repay a pressing debt, when the consumer has no other means of doing so and failing to repay on time could risk losing their home. Mr A's situation wasn't quite that desperate, so the suitability report assessed his options, including selling the rental properties which Mr A didn't want to do yet. If Mr A had used the funds in the way he originally intended, the mortgage balance would've been reduced, but not by as much as he anticipated, with potential financial implications, as he'd be paying more interest.

Because Mr A did have other options for raising the necessary funds, albeit ones he didn't find appealing, I think the recommendation to transfer was finely balanced, regardless of the amount of the CETV. So I've thought carefully about the events leading up to the transfer and what Mr A is likely to have done if he'd known about the correct CETV from the outset, or if Prudential's advice had been not to transfer.

I've not seen a copy of the CETV, but I understand it was issued in November or December 2019, and the three-month guarantee period expired at the end of February 2020. The suitability report and application for Mr A's retirement account were dated 25 February 2020, based on the erroneous CETV of around £751,359. Prudential requested the funds from the OPS on 2 March, but only £633,328 was received on 5 May 2020. Prudential queried the shortfall with the OPS promptly, but it was quite slow to respond, despite being chased.

Prudential has explained it wouldn't usually release the tax-free lump sum until such discrepancies were resolved. But to enable Mr A to reduce the capital balance of his interest-only mortgage without delay the sum of £158,771 was paid on 23 June 2020, (although it later transpired that's not how he used the funds). I'm satisfied Prudential wasn't aware of a problem before 5 May and wasn't advised the CETV had been overstated until August 2020. So it wouldn't have been possible for Prudential to have reassessed the proposal based on the correct CETV until the transfer had happened, meaning Mr A wouldn't have had the opportunity to decide not to proceed.

Mr A suggests he'd have followed Prudential's advice if it had advised against the transfer, and that he'd have based his decision about whether to proceed on the figures. But that overlooks what happened in 2019 when Prudential clearly recommended against opting out of his OPS. The adviser told him this in June and confirmed it in writing in a letter dated 24 June 2019 but issued in August 2019. The letter warned "*There is no guarantee that by opting out our advice would be to transfer the Defined Benefits scheme membership to a personal pension".*

But almost immediately Mr A acted against this advice and wrote to his OPS to opt out as an active member. In October 2019 Mr A contacted the Prudential adviser to let them know he had opted out, and the dialogue continued through November and early December 2019. Mr A was very clear he understood why Prudential had advised against opting out, but after reviewing his finances he needed the tax-free lump sum immediately, which wasn't available through his OPS. And he made this decision knowing that it wasn't a certainty Prudential would recommend the transfer, and without having seen the CETV which he now says was key to his decision making. He might have had an indication from his discussions with colleagues, and he apparently thought the CETVs were generally good. But if his colleagues had successfully transferred it's likely their CETVs had been calculated correctly so weren't inflated. And in any event, each calculation is personalised based on the member's age, length of service, salary level and so on, so Mr A wouldn't know the value until the CETV was issued. So I think it's only with hindsight Mr A is suggesting he would've decided against transferring based on the lower, accurate CETV.

And equally I don't find it plausible that having gone against Prudential's advice in 2019 and taken the irrevocable decision to opt out of his OPS, being fully aware a positive recommendation to transfer wasn't guaranteed, and without knowing the value, Mr A is now saying he would have followed Prudential's recommendation if in February 2020 he was advised not to transfer. I've seen no evidence that Mr A's decision to opt out of his OPS was based on a particular CETV, or tax-free lump sum figure, below which he wouldn't have proceeded.

We now know Mr A didn't actually use the tax-free lump sum to reduce his mortgage, although he maintains he still intends to reduce his borrowings prior to retirement. But he'd consistently told Prudential his priority was reducing his residential mortgage prior to the review date and had decided against raising the funds by selling the rental properties at that point, due to the income they generated.

I'm satisfied the evidence shows that from June 2019 Mr A was thinking about taking his retirement benefits flexibly, and was aware that wasn't possible with his OPS, which is why he first consulted the Prudential adviser. But instead of heeding the advice to remain a member of his OPS and consider other ways to reduce his borrowing (other than working hard and saving which I'm sure he did), Mr A went against the advice and opted out of the OPS. I can see no other reason he did that other than to transfer away, as he was still working for F and didn't intend to retire for another few years. It's a legal requirement to seek regulated financial advice to transfer a defined benefit pension of over £30,000, but the consumer is not obliged to follow it. So once Mr A had been advised on the transfer by Prudential, even if that advice had been not to transfer, he could have gone to another firm to facilitate the transfer, and I think that's most likely what he'd have done.

So while I understand Mr A's concerns, I remain of the view set out in the provisional decision that even if Prudential had advised against the transfer, or if its advice had always been based on the correct (lower) CETV, Mr A had already decided to transfer his OPS to a personal pension to release the tax-free lump sum, and this wasn't dependent on a particular figure.

My final decision

For the reasons explained above, I don't uphold this complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 May 2024.

Sarah Milne
Ombudsman