DRN-4961059

## The complaint

Mr P complains that The Prudential Assurance Company Limited failed to provide accurate information to him about his retirement options and delayed following his instructions.

## What happened

Mr P had two personal pension plans with Prudential. Prudential wrote to him in similar terms about each of the plans.

In January 2023 Prudential informed Mr P about the options he had in relation to accessing his pension. It said it would write to him again six weeks before his selected retirement date. Mr P says Prudential failed to send him any information about its products such as the charges, the pros and cons associated with each option, or the forms he needed to fill out to give it his instructions.

He received a further letter at the end of May 2023 reminding him that he needed to make a decision about his pension. He says he still hadn't received any information from Prudential about its products and there was no form to complete. He was asked to telephone Prudential with his instructions. Because of previous experience, he says he'd made it clear to Prudential that all contact with him had to be in writing.

On 12 June 2023, he wrote to Prudential to complain that he hadn't been provided with the necessary forms to complete and he'd been asked to telephone with his instructions. He said he had nevertheless made his decision. He wanted to take the 25% tax free lump sum and place the residual funds into a drawdown account.

Mr P says that a month later Prudential wrote to him. It said "*income drawdown wasn't directly available*" from the plan and he'd have to call it if he wanted to proceed. It said it would let him know about its products when he phoned.

Prudential also sent Mr P its final response (the First FRL) to his complaint. It acknowledged he'd experienced poor service and caused delay. It said it would review his case in 30 days and if he decided to proceed with his request, it would calculate whether he'd experienced any financial loss as a result. It also paid him £150 by way of compensation for the distress and inconvenience he'd experienced.

Mr P wasn't satisfied with this response. On 27 August 2023, he wrote to Prudential. He asked it to provide him with accurate information, in writing, setting out what options were actually available to him if he wanted to take 25% of his pension as tax free cash and place the rest into a drawdown account. He asked Prudential to tell him what the consequences would be, and the costs of doing this. He also asked whether both of his pensions could be combined in one drawdown account.

Prudential responded to his requests on 12 September 2023. It sent him several letters on that date setting out the following information:

- updated values for his pensions;

- a repetition of the information he'd been sent in January 2023 about his options;
- he could not draw a part of his fund and leave the rest for a later date. He could not take the tax free cash and leave the remainder in his plan. Income Drawdown was not directly available from his plans;
- if he wanted Income Drawdown he would have to telephone Prudential and it would tell him about its products;
- he could transfer into one of his policies (but not the other one). He'd need to obtain independent financial advice before Prudential would accept a transfer in.

On 26 September 2023 Prudential sent a further final response letter (the Second FRL) to Mr P. It acknowledged he'd received poor service and it had caused delay. It said it would consider whether he'd experienced any financial loss as a result and it paid him £100 for the distress and inconvenience he'd experienced.

Mr P remained dissatisfied and continued to pursue his complaint. On 31 January 2024 Prudential reiterated to him that Income Drawdown was not directly available from his plan and he'd need to telephone it if he wanted Income Drawdown.

Prudential issued a further final response letter (the Third FRL) to Mr P on 6 February 2024. It accepted that its previous responses had been vague and it had failed to provide clear and concise responses to his questions. It explained that a drawdown facility was not available from his policies. He'd need to set up a new drawdown policy if he wanted that option with Prudential. But, in order to do that Prudential would require him to use a financial adviser. It also confirmed that he could transfer both of his policies into a new drawdown account if he wanted to do that.

Prudential did not agree it had provided incorrect valuations in its letter dated 12 September 2023 and it did not agree it had done anything wrong when it had extended the policy end date for one of Mr P's policies. It said it had to do that when he hadn't given it his instructions before the selected retirement date.

Prudential accepted that Mr P had experienced distress and inconvenience and paid him a further £200 by way of compensation for this.

Mr P did not agree. He complained that the Third FRL had been sent to him by email when he'd made clear he would not be using any online services. He also said he'd never been told previously he'd need a financial adviser if he wanted a drawdown account.

Mr P referred his complaint to our service on 19 February 2024. Our investigator looked into his complaint. He thought Prudential had sent Mr P general letters about the options available to him. He didn't think it was unreasonable for Prudential to later confirm that income drawdown was only available in circumstances where Mr P transferred his pension to a different product internally with Prudential. He also didn't think it was unreasonable for Prudential to offer mainly a telephony based service to its customers. It was entitled as a business to choose how it provided its services.

Our investigator said it was evident that at times Prudential had provided Mr P with poor service. Its response letters had been vague and there had been delays in responding to his queries. However he thought that the amount Prudential had already paid him for distress and inconvenience was fair and reasonable.

Shortly after our investigator had given his view about how this complaint should be resolved, Prudential issued a further final response letter on 7 May 2024 (the Fourth FRL). It enclosed a copy of its Third FRL and agreed to send all future correspondence by post. It acknowledged that one of its letters dated 12 September had been incorrectly labelled and that was why there'd been an inconsistency in the value quoted.

Prudential said it required Mr P to take financial advice before opening a drawdown account with it because it was important that consumers should be aware of all their retirement options. It didn't offer non-advised new business. It said that remained its position. It offered to pay Mr P a further £250 for the poor service he'd received and agreed to review his case within 30 days of any claim he made on his policy to check that he hadn't suffered any financial detriment.

Mr P told our investigator that he did not agree with what he'd said. He also referred to the Fourth FRL. He said Prudential still hadn't provided him with written details of its drawdown products.

Prudential subsequently issued a Fifth FRL dated 4 June 2024. It confirmed it had now paid the additional £250 referred to in the Fourth FRL. It enclosed a copy of the Key Features Document for its drawdown policy and confirmed that Mr P would need to seek financial advice if he wished to open this product. And it confirmed he'd not been financially disadvantaged as a result of Prudential extending the selected retirement date on his pension policies.

Our investigator did not change his view about how the complaint should be resolved. Because Mr P did not agree with what our investigator had said, the complaint has been passed to me to decide.

**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.

Mr P has raised a number of complaint points which by way of summary are:

- the letters he was sent about his options did not include all of the information he needed to make a decision;
- he informed Prudential how he wanted to proceed (take 25% tax free cash and put the rest into a drawdown policy) on 12 June 2023 but Prudential did not comply with his instructions and instead introduced new requirements. It said that income drawdown was not "directly available," failed to provide written details about its drawdown products and then informed him he needed a financial adviser if he wanted to open a drawdown product with Prudential. It also failed to answer a query he'd raised about whether he could combine both policies into the same drawdown product. This resulted in significant delays. He'd not been able to invest his 25% tax free cash at the maturity date and had lost out as a result.
- He'd informed Prudential he wanted everything in writing and didn't want to use its online services but Prudential insisted he contact it by telephone to give it his instructions.

I'll consider each of these points:

*The letters he was sent about his options did not include all of the information he needed to make a decision*

I've looked firstly at the letter dated 23 January 2023. This letter referred to one of his pension policies and was sent out approximately six months before the maturity date.

Enclosed with the letter was a pension summary which included a valuation of his pension, a key risks document, a choices guide (which was a brochure produced by the MoneyHelper service) and a Prudential brochure about the options available.

Mr P's complaint is that this letter didn't give him all the information he needed to make an informed decision. However there is a section in the letter headed "Getting help with your decision" which included references to the Pension Wise service or contacting a financial adviser if he wanted to. There was also the following option about where help could be obtained:

> "Take a look at **pru.co.uk/pensions-retirement to find out more about your options**. You'll find information and calculators that show how the different options could work for you – and help you get a better understanding of the implications of each option."

There was no requirement to register for an online service to view the webpage that was referred to in the letter as this webpage can be publicly accessed. The webpage provides further information about the various options available and includes important information about the drawdown product including the following:

- to move to its drawdown product Prudential required the customer to take financial advice first;
- product information about the Prudential Retirement Account (its drawdown product) including a Key Features Document; and
- further information about how the drawdown product worked including information about transferring other pensions into the account.

Having considered the contents of the letter itself, I'm persuaded on balance that it did contain enough information, including signposts to additional information, to allow Mr P to decide how he wanted to proceed.

Mr P doesn't appear to have looked at the webpage which was referenced in the letter.

Mr P further complained about Prudential's responses to the subsequent queries which he raised with it. So, I'll now consider how Prudential responded to his requests for further information.

*Prudential's responses to Mr P's queries*

After receiving the letter, Mr P appears to have made up his mind, based on his own knowledge and understanding, about what he wanted to do next. He wanted to take 25% tax free cash and invest the remainder of the pension in a drawdown product. He informed Prudential of his decision, in writing, by letter dated 12 June 2023 – which was just over a month before his selected retirement date.

However, Prudential wasn't able to comply with his instruction. The reason for that was because he needed to open a drawdown product with it and to do that it required him to take financial advice. He also says he would've needed more information about the product before he could seek financial advice.

Having looked at the sequence of events here, I'm persuaded Prudential could've answered all of Mr P's queries much earlier. Instead, as it has accepted itself, its responses to him were "vague." There also appeared to be a "drip feed" of information in response to his queries – as summarised below:

- July 2023 – he was told “income drawdown was not directly available;”
- September 2023- he was told that if he wanted drawdown he needed to telephone Prudential and it would tell him about its products;
- February 2024 – he was told that if he wanted drawdown he would need to set up a new product and Prudential required him to take financial advice before he could open such a product with it; and
- June 2024 – Prudential sent him the Key Features Document for its drawdown product.

So, it took well over a year to give him, in writing, all the information he requested.

I have thought about the fact that all of this information was available to Mr P if he had looked at the webpage which was referred to in the letter dated January 2023. However, when he started asking questions in June 2023, I think it’s fair and reasonable to have expected Prudential to have responded to his queries in a way which was clear, fair and not misleading. That could’ve been done in June 2023 – either by referring Mr P back to the webpage or by setting out all the information he needed - in a single letter.

Prudential also acknowledged, in May 2024, its letter dated 12 September 2023 had contained inconsistent information about the value of his policy.

So, I am persuaded that the service which Prudential provided here was not satisfactory and that it caused delays, distress and inconvenience. I’ll comment further about that below and whether Prudential has already done enough to try to put things right.

*He’d informed Prudential he wanted everything in writing and didn’t want to use its online services but Prudential insisted he contact it by telephone to give it instructions.*

Whilst I can understand that Mr P, for historical reasons, wanted everything to be in writing, that doesn’t mean Prudential did anything wrong when it asked him to telephone it. As our investigator said, Prudential is able to choose how it provides its services. Mr P could also have asked Prudential to record all of the telephone calls if he was concerned.

It is also the case that Prudential was willing to respond to written correspondence – albeit, as stated above, the responses were vague and it did take several attempts to provide Mr P with all the information he requested.

I’ve also noted that in its letter date 7 May 2024, Prudential apologised to Mr P for not having followed his preferred method of contact and confirmed that all future correspondence will be sent by post. I think that’s fair and reasonable.

*Conclusions*

When a business makes errors it’s not our role to fine or punish it. We look to see what the business has done to put things right and whether its proposals are fair and reasonable in all the circumstances of the case.

Prudential has confirmed that Mr P hasn’t suffered any financial loss because of the delays here. The reason for that is because Mr P’s pensions have remained invested – so he’s benefited from any investment growth during the period of the delay. And Prudential has also confirmed that the change of retirement date on its systems didn’t impact Mr P financially either since that change was made in order for the pension plans to remain active on its systems - and not for any other reason.

I’ve noted it took over a year for Prudential to satisfactorily answer all of the queries which Mr P raised. Prudential has accepted its responses at times were vague and it has apologised to Mr P.

After Mr P referred his complaint to our service, Prudential took the following actions to try to put things right:

- Provided him with responses to the queries which he’d raised including providing him with a Key Facts Document for its drawdown product and details of how he should proceed if he wants to open a drawdown product with it;
- Confirmed that his preference for all future correspondence to be in writing, had been noted on its systems;
- Confirmed he’s not suffered any financial detriment because of the delays; and
- Paid him an additional £250 (£700 in total) by way of compensation for the distress and inconvenience he experienced as a result of what happened.

As I’ve mentioned above it took over a year to fully respond to all of Mr P’s queries – and Prudential has only taken all of that action after the complaint was referred to our service. Mr P had to revert to Prudential each time to seek further information and to get the clarifications he sought. So the distress and inconvenience he experienced here was substantial and was over a protracted period of time.

Prudential has now paid Mr P £700 (in total) by way of compensation for the distress and inconvenience he experienced. Having taken everything into account, including our guidelines for awards for distress and inconvenience, I’ve decided that is fair and reasonable. And I don’t require Prudential to have to pay Mr P anything more.

Having considered everything, I’ve decided that Prudential has already done enough here to resolve this complaint. So, I do not uphold this complaint and I don’t require Prudential to have to do anything further.

**My final decision**

For the reasons given above I do not uphold this complaint about The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 31 December 2024.

Irene Martin
**Ombudsman**