

The complaint

Mr J complains that The Prudential Assurance Company Limited provided misleading and inaccurate information to him and he's suffered financial loss as a result. He also complains about poor service.

What happened

Mr J has a personal pension - income drawdown plan with Prudential.

On 20 December 2022 he telephoned Prudential and raised several queries which included the following specific requests for information:

- could he make a contribution of around £75,000 into his account?
- If he did make that contribution would he be able to get an immediate annuity of around £20,500 per annum?

Prudential told him he would receive a call back within 2 working days.

He was not called back within the stated time limit.

On 12 January 2023 Mr J raised a formal complaint with Prudential because he hadn't received a call back or responses to the information requests he'd made (I'll refer to this as Complaint Issue A). He was told Prudential no longer offered annuity plans and the matter had been referred to a third party which provided annuity quotations. I'll refer to this third party as H.

Prudential said it had been chasing the third party to call him back. He was also told he'd need to speak to Prudential's retirement team about the query he'd raised concerning whether he could make a further contribution of £75,000 into his drawdown account.

By letter dated 18 January 2023, Prudential sent Mr J "Plan Information." This included a current valuation, policy information, projections and a plan valuation. The letter stated that if Mr J wished to transfer the value of his plan to another provider it highly recommended that he seek independent financial advice.

Mr J says that following this he had further conversations with H and also with Prudential. He says he was told he couldn't make the further contribution of £75,000 to his drawdown account and he was also given annuity figures which he didn't think were attractive to him.

Mr J says he contacted Prudential again during March 2023. He says he asked it to send him all the money in his drawdown account before the end of the tax year. This was important to him as he wanted to make use of unused tax allowances and he thought he could then invest the full amount and get a better return in interest bearing accounts. He says Prudential told him this would not be possible as it took 8 weeks to process such a request. Mr J says he phoned again the following day and made a formal complaint about this (I'll refer to this as Complaint Issue B).

Prudential says it has no record of the calls Mr J says he made in March 2023.

Prudential sent a Final Response Letter to Mr J dated 7 July 2023. In its final response letter Prudential acknowledged it had failed to deliver the level of service Mr J should be able to expect. It apologised for the trouble and upset caused. It said it had now issued the information he'd requested separately. It also said it had sent him a payment of £150 by way of apology for the distress and inconvenience he'd experienced as a result of the poor service.

The Final Response Letter dated 7 July 2023 didn't specify exactly what Mr J's complaint had been – however it did say it had now sent him the information he'd requested separately. There was no mention of what Mr J says happened in March 2023. Prudential says that's because its response related to Complaint Issue A only – and it wasn't aware of Complaint Issue B until much later.

Mr J says he telephoned Prudential on 17 July 2023 after receiving the final response letter. He asked to speak to the complaints manager. He says he received a call back from the complaints manager later that day. The call lasted around an hour and ended about 6pm. He says he explained to the complaints manager he'd not been able to avail of his unused tax allowances and he wanted compensation. He wanted Prudential to pay him all of the money in the drawdown account without deduction of tax.

Prudential says it has no record of the calls which Mr J says were made on 17 July 2023. Mr J referred his complaint to our service on 19 September 2023.

Our investigator looked into Mr J's complaint. He thought Prudential had provided the information Mr J had asked for about his policy. It had also asked H to discuss annuity options with Mr J – because Prudential no longer offered annuity products.

Our investigator thought Prudential could've been clearer when Mr J had contacted it about the fact it didn't offer annuity products. He noted Prudential had accepted it didn't call Mr J back after it had said it would do that but it had apologised for that and paid him £150 by way of compensation. Although Mr J had said Prudential didn't explain to him how to take his pension before the tax year ending in April 2023, our investigator thought Prudential had already told him he could access his pension flexibly at any time. He didn't think Prudential should have to do anything more to resolve Mr J's complaint.

Mr J wasn't satisfied with this response. He asked for his complaint to be referred to an Ombudsman for decision.

Mr J also contacted Prudential again on 15 May 2024. He reiterated that he'd been told in March 2023 it would take 8 weeks to process his request to withdraw all of the money in the drawdown account. He said this was wrong information and the money should have been in his bank account before the end of the tax year (5 April 2023). As a result he said he'd not been able to seek a tax refund, availing of unused tax allowances, and he'd not been able to invest the funds in interest bearing accounts. Prudential agreed to look into his complaint again.

Prudential issued a Final Response Letter dated 3 June 2024. It said it had no record of the calls made in March 2023 and July 2023 which Mr J had referred to. It offered him an apology and paid him £50 by way of compensation because its complaints team hadn't called him back within the timescales it had stated.

The complaint was referred to me to make a decision. I wrote to both Mr J and Prudential to explain that in my decision I would be considering the following matters:

- Prudential's responses to the queries raised by Mr J in December 2022 – specifically
 - Could he make a further contribution of £75,000 into his drawdown account?
 - If he was able to make a further contribution of £75,000 could he get an immediate pension of £20,500?
- Mr J's complaint about what he says he was told in March 2023 when he requested a withdrawal of all the funds in his drawdown account. He says he was told it would take 8 weeks to process his request.

Neither party raised any objection. So, I considered Mr J's complaint as set out above.

Having considered everything, I issued a provisional decision in which I said:

What I've provisionally 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.

In this decision I will consider the issues which have been set out above:

Prudential's responses to the queries raised by Mr J in December 2022 – specifically

- *Could he make a further contribution of £75,000 into his drawdown account?*
- *If he was able to make a further contribution of £75,000 could he get an immediate pension of £20,500?*

When Mr J contacted Prudential he said he'd previously received letters which included projected illustrations. He said this included an illustration that if he was 99 and there was £104,000 in the fund he'd get a pension of £20,500 per annum for life. He wanted to know if he brought the fund value up to £104,000 whether Prudential would pay him an immediate pension of £20,500.

During the call Prudential didn't directly answer his question. Instead it said that someone would ring him back within two days. That didn't happen. Prudential had referred the query to H.

Prudential acknowledges that H didn't phone Mr J back within the time period set out. However, Prudential has provided a copy of an email it sent to H on 23 January 2023 which confirmed that Mr J's plan was a flexi access income drawdown plan and regular contributions could not be paid into it.

That's in line with what the Key Features for the policy also said. Only additional transfers, from another pension plan not already in payment, could be made into a drawdown policy. The terms and conditions further provide that each transfer in is allocated to a separate drawdown plan. So, once a drawdown plan is set up no further payments can be made into that plan. And I've noted that when Mr J commenced his drawdown plan he signed a declaration which included the following wording:

“ I understand and agree that I cannot pay or transfer any further monies into any existing drawdown plan and any new monies will be invested in a new plan or plans...”

During the call in December 2022 Mr J had mentioned making a payment into the account from cash resources he had – so that wouldn't have been permitted under

the terms of the drawdown policy. He could only pay into a new drawdown plan and he couldn't use cash to do that – he could only transfer into a new drawdown plan from another pension plan.

It's not clear when Mr J was told he couldn't add the additional cash. However, he told us he did become aware (possibly around February 2023) he couldn't do this and he also received annuity quotations which he didn't find attractive. So, it would appear that H may have provided this information to him – albeit it took longer than what it should have taken to respond to Mr J's queries.

I'd just mention in passing that although Mr J had enquired in December 2022 if he could get an immediate annuity of £20,500 if he increased the fund value by £75,000, I think he would reasonably have known on the basis of the illustrations he'd been sent that the projected annuity of £20,500 would only have been payable from age 99. I say that because during the call in December 2022 he acknowledged that the projected illustration he was looking at - meant he'd have to "get to 99." Nevertheless, Prudential could have made this clearer to him during the call in December 2022. And as I've stated above it appears he didn't become aware of the response until around February 2023 – some two months later.

Prudential acknowledged in its final response letter dated July 2023 that its service could have been much better and it paid Mr J £150 by way of compensation because of that.

Having considered everything I think that's fair and reasonable for the delay Mr J experienced and in line with our guidelines for awards for a delay such as happened here. So, although I know it will disappoint Mr J, I don't intend to require Prudential to have to do anything further to resolve this part of his complaint.

Mr J's complaint about what he says he was told in March 2023 when he requested a withdrawal of all the funds in his drawdown account. He says he was told it would take 8 weeks to process his request

Although Mr J is adamant that he spoke to Prudential in March 2023 and requested a withdrawal of all of the funds in his drawdown account before the end of the tax year, I haven't been provided with enough evidence to support what he's said.

I asked Prudential to thoroughly check all of its records for the period and it's confirmed there's no evidence or records of any calls to or from Mr J in March 2023. It's also provided a printout of its records to show this. Mr J told Prudential that he would only have contacted it using the same mobile number as he's always used.

There was a call on 29 February 2023 which I've listened to. During that call Prudential was asking Mr J to confirm the details of his complaint. He was asked if there was anything else he'd like to add to his complaint and he said that Prudential's delay in dealing with his complaint was also creating an issue as regards any chance he had of making his investment before the end of the tax year. He went on to talk about having looked into transferring all his pensions to a different provider – but he was concerned about the charges. So, although this was something he may have been thinking about, he didn't appear to have made any decisions at that time. He didn't say during the call that he wanted to request a transfer of his pension to another provider nor did he say he wanted to request a full withdrawal. There was no mention of making a full withdrawal and there was no discussion about how long that might take.

I also asked Prudential about what Mr J said about being told an eight week notice period was required to make a full withdrawal. Prudential says that if Mr J had requested a full withdrawal on or before 20 March 2023, it would've been able to process his request and pay the funds into his account before the tax year end. It says the process would not have taken eight weeks.

I asked Mr J for any records he had about the two calls he said he'd made in March 2023 and the calls he'd referred to that were made and received in July 2023. I asked him if he had details of the times of the calls, the numbers he dialled or the persons he'd spoken to. I asked him to check his own phone records.

Mr J has provided some information about the calls in July 2023. He's provided information about who he spoke to and approximate times that the calls were made. Prudential hasn't been able to locate these calls in its records. It also says that the person Mr J says he spoke to at the time would not have been able to make or receive calls because he didn't have telephony access set up for his role and had no facility to make or receive calls.

Mr J was granted further time to comply with my request for further information about the calls he said he'd made in March 2023 and July 2023 but despite that he hasn't provided a response. I've also noted that on 30 May 2024, during a telephone conversation with Mr J, Prudential asked him to provide it with any evidence he had to support what he'd said about making these calls. He doesn't appear to have responded to that request either.

So, having considered everything, I don't intend to uphold this part of Mr J's complaint because I've not been provided with enough evidence to support what he's said.

Complaint handling

Mr J also raised a complaint about how long it took Prudential to respond to his complaint. And he complained about how Prudential had handled his complaint.

Prudential acknowledged it failed to call him back about his complaint in May 2024 and it paid him £50 by way of apology.

Complaint handling is not a regulated activity. So I cannot comment about a complaint or any part of a complaint which is solely about how a business has handled a complaint. Nor can I comment on the £50 which Prudential has paid to Mr J.

Having considered everything here, my provisional decision is that Prudential has acted fairly and reasonably. I don't intend to require it to have to do anything more to resolve this complaint.

My provisional decision

For the reasons given above my provisional decision is that I do not intend to uphold this complaint about The Prudential Assurance Company Limited.

Prudential did not respond to my provisional decision.

Mr J did respond to my provisional decision. He reiterated that Prudential had accepted in its final response letter dated 7 July 2023 that its service had been poor and it had paid him compensation because of that. Regarding the calls he said he'd made in March 2023, he

said he'd been unable to get copies of his phone records because his phone provider had switched to digital systems.

Mr J said it was September 2023, and not July 2023, when the complaints manager had phoned him back. He'd been unable to get confirmation of this from his phone provider but he said he'd noted it in his diary.

So, I now need to make my 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.

In his response to my provisional decision, Mr J hasn't commented on what I said about Prudential's responses to the queries raised by him, in December 2022. So, I've not received any new or additional information that causes me to change my view regarding that part of his complaint to our service.

In relation to his complaint about what he says he was told in March 2023 after he requested a withdrawal of all the funds in his drawdown account, Mr J reiterated that the letter from Prudential dated 7 July 2023 was an admission that it had provided poor service. He says this letter was a response to all the complaints he made, including his complaint about the withdrawal request he made in March 2023.

Mr J hasn't been able to provide any evidence to support what he said about contacting Prudential in March 2023 to request a withdrawal from his pension. He's explained that his phone provider is unable to give him a list of his calls. However, it remains the case that Prudential has no record of any calls from him during March 2023. It has provided copies of its internal records and although there are records of other calls made to and from Mr J – there's no records of any calls either to or from Mr J during March 2023. So, I'm satisfied, on balance, there's insufficient evidence to show that a withdrawal request was made in March 2023.

Mr J says it was 19 September 2023, and not July 2023, when Prudential's complaint's manager phoned him back. He said the complaint's manager had told him he would investigate what had happened in March 2023 – but he never did.

Mr J previously told us it was July 2023 when this call happened. I have noted that Mr J first contacted our service on 19 September 2023 to refer his complaint to us and that might explain why he has that date recorded in his diary. But, in any event, I've not been provided with any evidence to support what he's said about receiving a call back from Prudential either in July 2023 or September 2023.

Having thought about everything again, I haven't received any new or additional information that causes me to change my view, or the reasons for my view, about how this case should be resolved. I don't require Prudential to have to do anything further.

My final decision

For the reasons stated 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 J to accept or reject my decision before 21 October 2024.

Irene Martin
Ombudsman