DRN-5635484

The complaint

Mr J has complained about the process of withdrawing his pension funds from The Prudential Assurance Company Limited ('Prudential').

Mr J states he tried to withdraw his pension monies several times – starting in 2021 - but was unable to do so until October 2024.

During this time Mr J states his pension has not been earning any interest and as such he has suffered financial loss.

What happened

Mr J held a pension policy with Prudential since 1986.

In August 2020 Prudential issued Mr J with an options pack for this pension. Included with this was a document which would allow Mr J to defer his retirement date.

On 10 August 2020 Mr J completed a pension options selection form which extended the retirement date on his pension by five years – until his 70th birthday.

On 17 August 2020 Prudential wrote to Mr J. This letter referred to Mr J's request of 31 July 2020 and gave a policy transfer value of £13,755. Included with the letter was a 'Your Pension - Key Risks' leaflet and details on how Mr J could contact Prudential should he wish to take any further action with his pension.

This letter also detailed the options Mr J had with regard to this pension. These were documented as being:

> *"A regular income that is guaranteed to be paid for the rest of your life. This is known as an annuity.*
>
> *A flexible income where you maintain control of your investment and have access to your money. This is known as income drawdown.*
>
> *Take some or all of your fund as a cash lump sum.*
>
> *You can also consider a combination of these three options, or you can, of course, choose not to do anything yet."*

In response to this letter Mr J wrote to Prudential in March 2021, asking for the relevant forms which would allow him to withdraw the full value of his pension (£13,755).

On 10 March 2021 Prudential attempted to contact Mr J over the phone to complete the risk warnings, a process which needed to be completed before an encashment such as the one requested could be finalised. Prudential were, however, unable to get in touch with Mr J at this time.

Prudential wrote to Mr J on 17 March 2021 in response to his query around accessing the pension. This letter said:

> *"This letter contains information about taking your pension as a cash lump sum. We can't finalise your claim until you consider this letter and confirm you want to proceed."*

And

> *"We want to remind you of the potential risks of taking your money as cash. We also want to make sure that you understand all your options and are comfortable proceeding. Taking your pension savings as a cash sum is a big decision, so you should take time to read through the questionnaire enclosed, to make sure you're happy with your decision."*

The value of Mr J's pension noted on the March 2021 statement was £13,973.

Following a further request from Mr J for updated information on his pension Prudential wrote to Mr J on 14 October 2021. This confirmed a transfer value of £14,104 with the monies remaining in the with-profits fund.

Mr J contacted Prudential in June 2023 to request an annual statement and question why the growth rate shown was lower than previous years.

Mr J received his annual pension statement on 24 July 2024, this confirmed that the pension had a value of £16,586. This also showed a retirement date in line with Mr J's 70th birthday with the pension being invested in the Prudential with-profits fund.

In August 2024 Prudential sent Mr J a retirement options pack, detailing the value of Mr J's pension and the options he had for accessing the funds.

In September 2024 Mr J was sent an offer of financial advice by Prudential.

Having been unable to access his pension as desired, Mr J referred his complaint to this service on 11 October 2024.

On 14 October 2024, Mr J contacted Prudential. He confirmed he had spoken to an adviser and that he was enclosing the paperwork required to withdraw the full pension as a single payment.

Mr J was paid the full value of the pension the same day. The pension was valued at £16,843 with Mr J receiving £12,780 after tax.

Prudential issued their response to Mr J's complaint on 24 November 2024. This accepted that the withdrawal requested by Mr J should have been completed sooner. From Mr J's initial enquiry on 2 August 2024 the withdrawal should have been processed on 9 September 2024, rather than the 14 October 2024 date when payment was actually made.

Prudential explained that had payment bene made on 9 September 2024, the amount which would have been received would have been £12,717. Interest was added to this figure over the identified period and an amount of £100 was offered to cover the distress and inconvenience the delay had caused.

Mr J did not accept the outcome and as such our investigation of this complaint continued.

Our investigator looked into things and concluded that Prudential had not acted unreasonably.

The investigator stated that whilst it was clear that Mr J had been in contact with Prudential since 2021 attempting to access his pension, there was no evidence on file that Mr J had completed the full process necessary that would have allowed Prudential to encash the pension and make payment to Mr J.

Whilst Prudential had identified a short delay during 2024, our investigator concluded that the offer made in respect of this was fair.

As such, overall, our investigator concluded that Prudential did not need to take any further action.

Mr J did not agree. He remained of the opinion that Prudential should have encashed his pension in 2021. As such the case has been passed to me for 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.

I would firstly note that Mr J has been clear that it is not the short delay in September / October 2024 that he is concerned with, rather it is the time between 2021 and 2024.

As such, and given I agree with our investigator that the offer made by Prudential with regard to this more recent delay period is fair and reasonable, I have concentrated this decision on the time period between 2021 and 2024.

I would also like to note that as part of the complaint registered with this service Mr J has stated that his pension had been disinvested in 2021 when he reached age 66, and as such was not earning interest over the following years. However, to clarify, the documentation on file shows that the pension remained invested in the Prudential with-profits fund until its encashment in 2024. Over the time in question the pension grew from £13,755 in March 2021 to £16,843 in October 2024.

The chain of events and evidence on file is clear that Mr J contacted Prudential several times between 2021 and 2024 with a view to accessing his pension.

I can also see that when documentation was requested from Prudential this was provided in a timely manner.

Mr J states that the documentation Prudential provided was completed and returned each time, whilst for their part Prudential have no record of receiving this or of Mr J completing the necessary risk warning process until October 2024.

Whilst I appreciate Mr J's statement that the paperwork was competed and returned, Prudential have no record of this ever being received and I can only base this decision on the evidence available. In addition, there is no evidence of the risk warning process being completed before October 2024.

As explained by our investigator, Prudential were required to complete the risk warning process before an encashment such as this was completed. This is to ensure a policyholder is appropriately warned about the potential long-term consequences of accessing their pension in such a way. As such, Prudential could not simply encash the policy and pay the proceeds without completing this process. This was fully explained in Prudential's 17 March 2021 letter.

I have considered Mr J's statement that Prudential delayed his encashment in order to retain his funds under their management, however I can find no evidence of this. The documentation available shows that whilst the process of making a withdrawal was started by Mr J several times between 2021 and 2024, the process was not followed through to a conclusion until 2024, this is not something I can hold Prudential responsible for.

I have also considered Mr J's point that his pension monies were released suddenly as soon as this service became involved in his complaint. Having looked at the chain of events above, I can find no evidence that this service had any impact on the payment of Mr J's pension funds. Rather than having anything to do with this service, the payment of the pension monies on 14 October 2024 was facilitated because it was at this point Mr J confirmed that he had spoken to a financial adviser and wished to proceed with a full withdrawal of the pension fund on a non-advised basis.

Overall, whilst I appreciate that this is not the outcome Mr J wanted, I have concluded Prudential were not responsible for the delayed encashment of the pension between 2021 and 2024. Prudential are entitled (and indeed were required) to ensure policyholders requesting a transaction such as this were provided with adequate risk warnings. As this was not completed until 2024, Prudential could not encash the policy or make payment to Mr J before this time.

Whilst Prudential did identify a delay to the process in September / October 2024 - in line with what I have said above – the offer already made in respect of this delay is considered fair and reasonable.

As such I am not upholding this complaint and require no further action from Prudential in this case.

My final decision

I am not upholding this complaint against The Prudential Assurance Company Limited and require no further action from them at this time with regard to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 September 2025.

John Rogowski
Ombudsman