

## The complaint

Mr A complains about The Prudential Assurance Company Limited (“Prudential”). He’s unhappy Prudential won’t allow him to remove his wife as a beneficiary under his annuity policy.

## What happened

Mr A’s annuity policy was set up in 2004 on a joint-life basis. His wife was named as the beneficiary under his annuity if he passed away before she did.

In July 2025, Mr A contacted Prudential, saying that as his wife had secured her own pension provision through work, he wanted to switch to a single life annuity and benefit from an increase in the income he received. Mr A confirmed he understood this meant his annuity would end when he died.

Prudential responded to Mr A, outlining the benefits payable under his joint life annuity, including that upon his death it would become payable to his wife for the rest of her life. Prudential confirmed that it didn’t allow any fundamental changes to an annuity agreement after the policy had been arranged and the cancellation rights expired.

Mr A replied to Prudential, saying it had provided a stock response instead of addressing his specific request. He asked it to review the matter again.

As Prudential issued a response which was almost identical to the one it had provided previously, Mr A complained and referred the matter to our Service.

Prudential sent its final response to Mr A’s complaint and, in summary, said:

- Mr A’s annuity was set up on a joint life basis, and as outlined in the Key Features Document he received at the time, this could not be changed once the annuity started.
- Mr A’s annuity would continue to be paid for his and his wife’s life, and there was no provision for recalculating his income based on a change of circumstances.
- Regarding the nature of its responses, it accepted that its tone and structure may have felt impersonal and not tailored to his specific situation. In recognition of this it had arranged for £75 to be paid to Mr A’s account.

Unhappy with Prudential’s response, Mr A asked our Service to consider the matter.

Our investigator considered the complaint and said:

- She was satisfied that Prudential’s decision not to change Mr A’s annuity policy was in line with the terms and conditions he’d agreed to at the outset.
- She empathised with Mr A’s situation but didn’t think Prudential was acting unreasonably or unfairly.

Because Mr A disagreed with our investigator, the matter has been passed to me for a 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'm sorry to say that based on what I've seen, and despite my sympathy for Mr A, I'm not upholding this complaint. I'll explain why.

Mr A's annuity quotation, application form, and Key Features booklet for Prudential's guaranteed pension annuity made up the agreement for his annuity. The Key Features booklet says:

#### ***"YOUR COMMITMENT (...)***

- *Once your annuity starts you are committed to receiving an income from Prudential for the rest of your life. You will not be able to exchange your annuity for a different one with us, or anyone else.*
- *Your personal circumstances may change once your pension is in payment.*

#### ***HOW FLEXIBLE IS IT? (...) FLEXIBILITY WHEN YOU BUY***

*At the start you can choose: (...)*

- *Whether or not to provide for your financial dependants when you die (...)*

#### ***WHAT IS THE JOINT LIFE OPTION?***

*If you have a partner or other person who depends on you for financial support, choosing this option means they'll get an income from your [annuity] after you die – provided they survive you. If you want this option, you must choose it at the start, as you cannot add it later on (...).*

#### ***CAN I CHANGE MY MIND?***

*You have 30 days in which to change your mind or cancel or amend any instructions or application you give us (...).*

I haven't seen anything to suggest that there were ever any special provisions agreed to at the outset with Mr A's annuity that would allow him to change his dependant at a later date. So, I'm unable to conclude that Prudential is acting unreasonably paying Mr A's annuity in line with the selections he made and the terms he agreed to when his annuity began.

I'm also mindful of the fact that Mr A's annuity came with cancellation rights. These provided Mr A with 30 days within which he could change his mind about the type of annuity he'd selected.

It's understandable that Mr A chose a joint life annuity in 2004, ensuring his wife would benefit from it and receive an income after he died. Mrs A seemingly had little to no pension provision of her own at the time, so she was financially dependent on Mr A. However,

Prudential's documentation was clear about the key considerations and consequences of choosing a joint life annuity at the outset. Specifically, it said:

***"(...) FLEXIBILITY AFTER YOU HAVE BOUGHT***

*There is no flexibility once you have bought a Guaranteed Pension Annuity. So, before you buy it is very important to consider your possible future needs, as well as your present ones – because once your income starts you cannot (...) change your annuity options (...)."*

***"(...) Effect on your income:* A joint-life annuity will pay you a lower income than a single-life annuity. The more income you provide for your dependant the lower your own income will be as a result."**

While I appreciate that Mr A may not have been able to anticipate his and his wife's personal circumstances changing and Mrs A no longer requiring any benefit from his annuity, Prudential warned that there'd be no opportunities to make changes to his annuity in the future. So I can't fairly ask it to amend Mr A's annuity on this basis. It fulfilled its responsibility to make it clear to Mr A at the outset what the key features of his annuity were and provided him with cancellation rights as I would've expected it to.

The main terms of Mr A's annuity were fixed when it was taken out, and this gave certainty to both parties. So, they can't be altered (by either party) even if the circumstances change. Mr A's joint-life annuity was specifically underwritten to take into account Mr A's wife and therefore to remove her as a beneficiary would require Prudential to underwrite the whole policy again. This isn't something Prudential is obliged to do. As outlined above, not allowing changes to annuity agreements after policies have been arranged is confirmed in Prudential's key features document, and its a consistent policy it applies to all its annuity customers.

In some of his early exchanges with Prudential, Mr A said his wife agreed that he should benefit from the higher income he'd receive under a single life annuity. But in his submissions to this Service, he's said that despite having her own pension provision, his wife refuses to contribute to household expenses. It's not entirely clear what the position is, but I don't doubt how difficult it must be for Mr A to bear the financial burden he says he does without any support when this appears to be available.

Overall, I do have sympathy for Mr A's position, and I appreciate his disappointment. I don't doubt that he now wishes he hadn't previously agreed to a joint-life annuity under which his wife would benefit. But I'm satisfied that for the reasons I've outlined above, Prudential doesn't need to do anything further in the circumstances.

With regards to Prudential's initial responses to Mr A's queries about his annuity, I agree that even though the information given wasn't incorrect, its repeated use of stock replies caused frustration and inconvenience which could've been avoided if a more personal approach had been taken at the outset. So, I'm pleased to see that Prudential has paid Mr A £75 in recognition of that. As the impact of what happened was limited and Prudential issued a meaningful response not long afterwards, I think the compensation paid is fair. So, I won't be asking Prudential to do anything further in this respect either.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 March 2026.

Chillel Bailey  
**Ombudsman**