

## The complaint

Miss W complains that The Prudential Assurance Company Limited (Prudential) paid her pension benefits too early resulting in the loss of her universal credit payment of £377 for the month. She wants £377 in compensation for the lost State benefit.

Miss W is represented in her complaint by her partner, who holds power of attorney for her, but I will just refer to Miss W in this decision.

## What happened

Miss W had a personal pension plan (PPP) with Prudential, which had a selected retirement date (SRD) of 1 August 2025. This was a few days after her 55<sup>th</sup> birthday on 22 July 2025, which was the earliest date at which she could take her benefits. In June 2025 Miss W contacted Prudential about taking her benefits as a lump sum. Prudential said to contact it around four weeks before her retirement date. Miss W did so, but Prudential said there would now be a delay in issuing the necessary paperwork. Miss W complained about this, and Prudential said it was updating some of its systems and would send the documents needed as soon as possible. Miss W wasn't satisfied with this explanation and said she would refer her complaint to our service. Prudential said it would consider it further. It separately issued the retirement documents a few days later, illustrating that Miss W would receive a payment of £18,198.38 after income tax of £6,882.90 had been deducted. Miss W completed and returned the documents on 12 July 2025.

Prudential processed the payment and sent confirmation on 23 July 2025, saying the money would be in Miss W's account in three to five days. She contacted it the next day and said if the payment was received before 1 August 2025, she would lose her universal credit payment for July 2025 of £377, and she asked if the payment could be delayed. Prudential said it couldn't. On 30 July 2025 Miss W confirmed the payment had been received on 28 July 2025 and the universal credit for July 2025 wouldn't be paid. She said she'd been previously told that the earliest date Prudential would pay her pension benefits would be 1 August 2025 and asked again if anything could be done with the payment date.

On 4 August 2025 Prudential issued a further response about Miss W's initial complaint. It apologised for not explaining things more clearly and paid her £175 in compensation. And it said it should have paid her benefits a day sooner (on her 55<sup>th</sup> birthday) and she'd lost out by £23.55 because of this, which it also paid to her.

On 2 September 2025 Miss W raised a further complaint about the early payment of her pension benefits, which she said she'd asked to be stopped. Prudential didn't accept this complaint. It said it couldn't alter the payment date retrospectively as this would breach regulatory standards and possibly be fraudulent. It said it had processed everything as per its standard procedures.

Miss W referred her complaint to our service; she said her entitlement to universal credit had ended once she had more than £16,000 in savings. Our investigator looked into the complaint, but he didn't uphold it.

Our investigator said Miss W had initially complained about potential delays in the payment of her benefits, when Prudential had said this might not be possible until 13 August 2025. But he said Prudential had no record of Miss J saying that she wanted the payment made on the selected retirement date of 1 August 2025, having initially requested it be paid as soon as possible. And he said the documents Miss W had signed and returned to Prudential on 12 July 2025, clearly showed a retirement date of 22 July 2025. He said Prudential had confirmed receipt on 16 July 2025 and had then processed this in 5 working days, which was typical in the industry. But Miss W didn't contact it to advise it of the universal credit issue until 24 July 2025, the day after the payment had been made. He said Prudential wasn't responsible for how long a payment would then take to clear into someone's bank account and it was Miss W's responsibility to have contacted it in good time if she wanted to pause the payment. Our investigator said Prudential had already paid Miss W £175 in compensation and it didn't need to do anything further regarding this second complaint.

Miss W didn't agree. She said Prudential had always stated payment of her benefits wouldn't be possible before 1 August 2025.

Our investigator said this had been considered in his view of the complaint.

As Miss W doesn't agree it has come 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.

Having done so, I'm not upholding the complaint.

Whilst the timing of the payment was unfortunate for Miss W I don't think Prudential has made any error or treated her unfairly and that means I can't uphold her complaint.

I can see that earlier documents sent to Miss W did illustrate benefits being paid on 1 August 2025, which was the SRD, likely chosen when the plan was first taken out. There isn't any other evidence indicating the benefits would be paid on 1 August 2025 other than messages to Prudential from Miss W referring to this date before it issued the retirement claim packs she'd been requesting. But Prudential's documents issued from 28 May 2025 quoted a retirement date of 22 July 2025. And Miss W did sign and return forms requesting that her benefits be paid on 22 July 2025, with Prudential making payment the next day. It then also paid her some compensation for the one-day delay in making that payment. Miss J had also ticked the box on the Prudential claim form confirming that she had both spoken to Pension Wise (part of the Government's Money Helper service) and taken financial advice before proceeding. The declaration she signed contained the warning that;

*"Once your decision is made, you can't change your mind, so please consider it carefully."*

So, whilst Miss W clearly didn't intend to receive the pension benefits before 1 August 2025, unfortunately that is what was requested, and it isn't reasonable to blame Prudential for making payment to her promptly. And once she had returned the claim form Prudential messaged her on 23 July 2025 saying;

*"We confirm that your ... claim has now been processed;  
The funds will be credited to your account within three to five working days."*

But despite regularly using the messaging system to communicate with Prudential, Miss W doesn't appear to have contacted it until the next day, so after it had already made the payment, with the funds having left its bank account. Had Miss W contacted it immediately, it might still have been possible to pause the payment until 1 August 2025 and avoid the issue. But Prudential was merely acting on the instructions it had received from Miss W and its position that it couldn't alter the payment date once made doesn't seem unreasonable in the circumstances.

So, whilst I understand the frustration Miss W has been caused by what has happened, I don't think Prudential has made an error and it needn't do any more than it has.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 24 March 2026.

Nigel Bracken  
**Ombudsman**