

complaint

Mr S is complaining that The Prudential Assurance Company Limited will not allow him to withdraw his pension annuity as a lump sum to pay for some medical treatment he needs.

background

Mr S asked Prudential if he could cash in his annuity and receive a one-off lump sum payment. He explained that this was to pay for medical treatment.

Prudential replied to say Mr S's annuity provision doesn't allow for it to be cashed in or sold. So they wouldn't allow him to withdraw his annuity as a lump sum.

Mr S was unhappy with Prudential's response and brought his complaint to us. Our investigator looked into his complaint but didn't uphold it. Because Mr S didn't agree, his complaint's been passed to me for review and a decision.

my findings

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 going to uphold Mr S's complaint. Let me explain why.

Mr S's annuity is set up on the basis of him receiving a monthly payment for the rest of his life. Some annuity providers will allow customers to cash in an annuity if it's a small amount. But this is at their discretion and isn't something they're obliged to do. Prudential's position is that they don't allow annuities to be cashed in. So I don't think Prudential has done anything wrong by refusing Mr S's request.

Mr S has mentioned government legislation which would allow him to access the whole amount of his pension. He may be referring to proposals in 2015 to introduce a secondary annuity market to allow some people to sell their annuity income. But these proposals didn't go ahead, so that option isn't open to Mr S at this time.

I do understand Mr S is suffering from ill health and I'm sorry to disappoint him. But Prudential are entitled to refuse his request to cash in his annuity. So, as I've explained, I'm not going to uphold Mr S's complaint.

my final decision

My final decision is that I'm not upholding Mr S's complaint, for the reasons I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 September 2018.

Helen Sutcliffe
ombudsman