

complaint

Mrs S complains that the Prudential Assurance Company Limited mis-advised her and told her she couldn't take her personal pension until June 2019. She also complains about the way Prudential handled her phone call to it, when she telephoned about her additional voluntary contribution (AVC) plan.

background

Mrs S met with a Prudential adviser in April 2018. She was planning to retire early from work and wanted to take her pension. She says she was told at this meeting that she wouldn't be able to take her pension until her selected retirement date (June 2019).

In October 2018, Mrs S got a letter from Prudential about her AVC plan. The letter said that her plan had no value. This caused Mrs S to telephone Prudential. Mrs S's AVC plan had no value because it was a lapsed life cover plan. During this call, Mrs S says she was told she could take her personal pension immediately. She went on to take her pension early.

Mrs S complained to Prudential. It offered her £100 compensation because it said it accepted that it had not fully resolved her queries when she telephoned it. It also offered her £25 for the cost of the calls she had made. Mrs S didn't think this adequately compensated her for the trouble and upset she had been caused. She complained to our service. She felt that £500 compensation was a more appropriate amount.

Our adjudicator thought that Mrs S's complaint should be upheld, and that in total Prudential should pay Mrs S £325 by way of compensation. Prudential disagreed, so Mrs S's complaint comes to me to decide.

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 am minded to uphold Mrs S' complaint, for much the same reasons as given by our adjudicator.

As some of the evidence here is either incomplete or contradictory, I have to make a decision based on what I think is most likely to have happened – taking into account the information that's available.

Prudential no longer has a copy of all the telephone calls between Mrs S and it. I've seen a note of a discussion between Mrs S and Prudential from March 2018. It notes that Mrs S is seeking advice on the best option for her in retirement, and whether she should wait until her selected retirement date. So, I think this is what Mrs S would've wanted to discuss with the adviser.

I've also seen a note of the meeting from April 2018 with the adviser. I can see this is not a contemporaneous note because information has been added about the AVC that wasn't known at the date of the meeting. Given that, I place limited reliance on this note. However, whilst I can see that it records discussing taking the pension as a small pensions pot, by annuity or drawdown, there is no reference to discussing taking the pension immediately.

Prudential says that at the meeting with Mrs S in April 2018, its adviser clearly told her that she could access her benefits at any time after she was 55. Mrs S was over 55 at the time of the meeting.

Mrs S was sent annual statements about her personal pension. The last one of these, prior to the meeting with the adviser, was dated April 2017, so nearly a year before. Her 2018 statement, was dated May 2018, so it seems was not sent out until after the meeting with the adviser.

On the last page of the 14 page 2017 annual statement, in the technical details, it said under the heading "*minimum retirement age*" that she could start taking benefits from age 55, even if she was still working.

The question left for me to decide is, whether Mrs S was given clear information about the options for taking her pension, so that she could make an informed choice about what she wanted to do.

Mrs S said if she had been given clearer information, she would've cashed in her pension immediately and used the money in her new business. She said she'd planned to use the money to purchase some of the larger equipment needed to run her new business and wasn't able to buy this until she cashed in her pension.

Mrs S pro-actively contacted Prudential to discuss her options. So I think it was important to her to understand what these were. The annual statement did say that she could take her pension after age 55, but I've noted that this information came at the back of a fairly long document sent to her around a year before. I can't know if Mrs S read or understood this, or remembered what was in it. Given that she contacted Prudential to discuss her options face to face, I think it likely that she would've placed more reliance on the information she was given in the meeting with the adviser.

Based on what Prudential has said, it seems Mrs S did discuss the new business with the adviser. I think Mrs S probably was looking to cash in her pension at the earliest opportunity, to build up her new business. I think had Prudential given her clear information about the options she had (including that she had the option to cash in her pension immediately) she would've gone ahead and taken that option. I say this because I think it would've been more important to her to access the money immediately, to buy the equipment she wanted, rather than waiting for around another year to possibly get a bit more money. I've taken into account that she hadn't been making any ongoing contributions into the plan for a while, so didn't need to keep the plan open to receive future contributions. And as the value of her plan was less than £10,000, in all likelihood she was probably going to take this as a small pension pot. On balance, and based on what I've seen and heard, I can't be satisfied that Prudential probably gave Mrs S the information she needed in a clear and fair way to enable her to make an informed choice.

So, I think Mrs S has lost out because of what Prudential did wrong. I can't know if Mrs S has suffered financially as a result. She intended to use the money to invest in a new business. But, I can't feasibly say whether this money would've made any financial difference if it had been available sooner. So, I can't fairly make any award for financial loss.

However, I do consider that Mrs S has been caused some trouble and upset by Prudential's actions. She had to delay her original plans. Like our adjudicator, I agree it would be fair for Prudential to pay Mrs S a further £200 compensation as a result. Prudential has already paid

Mrs S £100 compensation for its poor handling of the telephone call and the confusion about her AVC. It has also reimbursed her the costs of the phone calls (£25). I think this was a fair way to respond to this aspect of her complaint. Looked at together, £325, seems to me to be a fair and reasonable amount, overall, to compensate Mrs S for Prudential's shortcomings.

my final decision

I uphold Mrs S's complaint in part. I order the Prudential Assurance Company Limited to pay Mrs S a further £200 in total for the trouble and upset caused by it. This is on top of the £125 Prudential has already paid Mrs S in respect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 August 2019.

Kim Parsons
ombudsman