

## **complaint**

Mr W complains that The Prudential Assurance Company Limited took too long to set up his annuity.

## **background**

Mr W had two pension plans with Prudential. Mr W sent instructions to Prudential in June 2018 for his annuity from one of the plans to be paid from 1 August 2018. But the annuity wasn't set up until late September 2018. Mr W considered Prudential should backdate the payments.

Prudential said it had followed the correct regulatory process to set up Mr W's annuity, but accepted that some of its service could've been better. It offered £75 as a gesture of goodwill.

Mr W didn't accept Prudential's offer, and remained unhappy. Prudential explained there had been some delay when Mr W decided he wanted to take his pension from both plans at the same time. This was because Prudential had to restart the process for setting up the payments.

But Prudential accepted it may have created a delay of about six days because of the short time it gave Mr W to absorb information it sent ahead of a risk warning call with him. Prudential offered another £115.25, made up of £100 compensation for the inconvenience caused, and the balance being six days annuity income plus interest.

Our investigator thought Prudential's offer was fair (although she only considered the offer of £115.25). She was satisfied that Prudential had followed the correct regulatory process for setting up Mr W's annuity – both on receipt of his initial instructions, and when he decided to take his pension from both plans at the same time.

The investigator considered Prudential's offer was reasonable in light of some of its poor service, and the six day delay it had caused.

Mr W didn't agree with the investigator's conclusions, and said the retirement date in his policy document was 1 August 2018. So he maintained that the pension should've been paid from that date. He asked for his complaint to be reviewed by an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr W had two retirement annuities with Prudential. I understand that the intended retirement date for one was 1 August 2018 and 1 March 2019 for the other. But Prudential has said that Mr W could take the benefits from the plans at any time after age 55. I also note that Prudential's pension illustration dated 25 May 2018 was made on the 'assumption' that Mr W would take the benefits on 1 August 2018. I'm also mindful that Mr W decided to take the benefits from both plans at the same time.

Mr W sent his instructions to Prudential in June 2018, and his letter referred to only one of the policies. I understand the business wrote to him in early July, asking Mr W to contact it to

discuss his annuity quotation. I also understand that when Mr W called Prudential he said he'd taken independent financial advice but wouldn't be using a financial adviser for the purpose of Prudential's processes for setting up the annuity. But this call was over a month after the letter sent by Prudential. And it couldn't do anything further until it had completed its requirements for setting up the annuity.

Prudential had to follow a specific process, as required by the Financial Conduct Authority (FCA). This was to ensure Mr W had enough information to make an informed choice, and properly understood the implications of the decisions he was making. Mr W's requirements were clarified and a new retirement pack was sent out straight away. Prudential also sought to determine whether Mr W had any medical or lifestyle issues which might mean he'd be better off with an "enhanced annuity". Again, I don't think this was unreasonable.

But Prudential accepted there was some duplication in getting the information it needed from Mr W, and offered £75 as a goodwill gesture. I think that was reasonable in the circumstances.

At the end of August 2018 it was established that Mr W now wanted to buy an annuity using the funds from both pension plans. This meant Prudential had to start the process again, so that it could properly set up the annuity for Mr W. But it accepted there was a slight delay caused by the information it had to send Mr W - six days in total. It offered £115.25 for the inconvenience caused and loss of six days annuity income, plus interest.

From what I've seen, I don't think the steps taken by Prudential to set up Mr W's annuity were unreasonable, or caused excessive delay. It did what it needed to do in terms of the required regulatory checks and at all times, in my view, was acting in Mr W's best interests in ensuring that he understood the options available to him. There were delays, but not all created by Prudential. But Prudential has offered compensation in recognition that some of its service could've been better, and to acknowledge that it may have caused a slight delay of about six days in September 2018.

Overall, I think the compensation offered by Prudential is reasonable, and I won't be asking it to do anything else.

**my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 February 2020.

Caroline Stirling  
**ombudsman**