

complaint

Mr P complains that The Prudential Assurance Company Limited (Prudential) have caused him delays when trying to access his pension benefits. As a result Mr P says he has suffered financially and has had to cancel a holiday as a result.

background

Mr P contacted Prudential in January 2015 to inform it of his intentions to retire on 23 April 2015. Prudential told Mr P that their 'immediate retirement quotation' could only be issued a month before his intended retirement date. Therefore it would issue a quotation around the 23 March 2015.

Prudential sent out the quotes on 31 March 2015. Mr P said he received it on 21 April 2015. The next day Mr P called Prudential to go over his retirement options. During the telephone call Mr P informed Prudential that he had a previous bankruptcy from almost 20 years ago. As a result Prudential informed Mr P that it would need to contact the Official Receiver to check whether they held any interest in his pension.

Mr P said he called the Official Receiver himself and was told straightaway that they had no interest in his pension.

Prudential delayed contacting the Official Receiver until July 2015. The Official Receiver informed Prudential in August, that the query had been passed to the relevant department. Prudential chased up the Official Receiver in November 2015. And the Official Receiver informed it that they had no interest in the pension policy.

Mr P signed the quotation on 1 December 2015. The tax free cash (TFC) was released to him within ten days. The annuity was set to commence from 19 December 2015.

Prudential acknowledged that it caused Mr P delays in accessing his pension and could have been much more proactive dealing with the Official Receiver. It agreed to backdate the annuity. An award was made for £939.41 for the missed annuity payments from July 2015. This payment included 8% simple interest paid for loss of use of the tax free cash and delayed annuity payments. A total of £525 was also awarded for the distress and inconvenience caused. Prudential had also pointed out that Mr P's pension fund had slightly increased during the delayed period, which meant that Mr P received a slightly higher TFC and annuity.

Mr P was not happy with Prudential's offer. He said that his annuity payments and interest should be backdated to his selected retirement date in April 2015. Mr P then brought his complaint to our service.

An adjudicator investigated Mr P's complaint. She said that in her opinion the offer made by Prudential was fair and reasonable. This was because Prudential demonstrated that it caused delays of 135 days. This meant Prudential would've backdated Mr P's annuity payments and interest to 7 August 2015. For ease Prudential agreed to backdate it to the end of July.

The adjudicator said she wouldn't have expected Prudential to account for the delays in Mr P receiving the quote on 21 April 2015. This was because Mr P lived overseas. She also considered that Prudential would've been obliged to await the response from the Official Receiver. Therefore could not accept Mr P's application beforehand. She also stated that the distress and inconvenience payment offered was fair and in line with similar complaints.

Mr P did not agree. He said he had contacted Prudential within a reasonable timeframe and at no time was he told that he would not receive his benefits on his selected retirement date.

Mr P stated that it takes a maximum of two weeks for post to be sent from England to Spain and did not believe the date on the quote was correct. He also said that Prudential would've already been aware that he lived in Spain and should've sent him the quote via email.

Mr P states this whole process has been extremely stressful. He had to cancel a holiday that he cannot reschedule because his mother is now too ill to travel. He also points out that he received no income for eight months and has had to make over 25 calls to Prudential.

As Mr P disagreed with the adjudicator's view he referred his complaint to an ombudsman for a final 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.

I note that Mr P was aware that Prudential would issue a quotation on or around 23 March 2015. Given that Mr P lived overseas I would have expected that he would have chased the Prudential on say 14 April 2015 if he had not received the paperwork that he was expecting.

The fact that Mr P received the quotations on 21 April 2015 would in my opinion not have been unreasonable particularly as this covered the period over Easter.

I do not agree with Mr P that his pension and tax free lump sum should be backdated to his selected retirement date as the Prudential was unaware at that time that he had previously been declared bankrupt. Once Prudential was aware of this it had to contact the Official Receiver to see if they retained an interest in the policy. I note that the Prudential has agreed that it was slow in dealing with the Official Receiver and has agreed to back date the payments to the date that the pension benefits would have come into payment. Had Prudential been made aware of the former bankruptcy well before Mr P's selected retirement date it could have checked whether the Official Receiver had an interest in the pension plan well before the date that Mr P wanted to take his benefits.

In my opinion the offer made by Prudential to backdate the annuity to July 2015 is fair and reasonable in the circumstances.

I note that Prudential has also offered a sum of £525 for the distress and inconvenience caused and in my opinion this is in line with what an ombudsman would award in these circumstances. I have considered the arguments that have been put forward by Mr P that he has had to cancel a family holiday because of the issues with the non-payment of his pension benefits. Whilst I appreciate that this is very disappointing I do not consider that there is a need to increase the amount offered by Prudential.

my final decision

I do not uphold this complaint against the Prudential and I make no further award.

It is up to Mr P to decide whether he wishes to accept the offer already made by the Prudential.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 July 2016.

Adrian Hudson
ombudsman