

complaint

Mr W complains about The Prudential Assurance Company Limited (Prudential). He's unhappy with the level of compensation Prudential has offered for incorrect information it provided regarding the final bonus applicable to his Personal Pension Policy (PPP).

background

Prudential sent Mr W a letter in November 2018. In summary it said:

- Mr W had passed the date he'd originally chosen to take his pension income
- the original Selected Retirement Date (SRD) for Mr W's pension had been extended to 1 October 2023 but Mr W could still take retirement benefits before this date and a quote would be provided when requested
- a final bonus of £12,266.09 was added as a result of the extension of Mr W's SRD

Further to its letter Mr W contacted Prudential to query his final bonus. Mr W was twice advised by Prudential that the final bonus would be added to the existing value of his PPP. Based on what Mr W was told he understood that as his pension fund had a value of £89,111.52 and the bonus was £12,266.09, his total pension was worth around £101,000. Prudential confirmed Mr W's understanding was correct.

Prudential later sent Mr W another letter regarding his final bonus. This time Prudential said the final bonus had already been added to Mr W's pension.

As Prudential's letter was at odds with what he'd previously been advised Mr W contacted Prudential to ask questions about his final bonus and the value of his pension. Following several conversations Prudential later clarified that Mr W's final bonus had already been added to his pension. Concerned by the conflicting information he'd been provided with Mr W complained.

Prudential initially offered Mr W £125 compensation for what he'd experienced. But Mr W didn't consider this was enough. He suggested £1,000 or later £500 compensation would be more appropriate.

Prudential considered Mr W's complaint again and provided its final response on the matter. In summary it said:

- it accepted it had provided Mr W with a poor level of service as it had given incorrect information
- it understood Mr W had been told the value of £12,266.09 was in addition to his current fund value and realised Mr W had been querying the matter following the poorly worded letter it had sent him which suggested the £12,226.09 would be an additional value added to his plan
- the £12,226.09 wasn't a value in addition to Mr W's current fund value
- following Mr W's selected retirement date, as Mr W hadn't taken benefits, the final bonus became a guaranteed figure
- it was sorry to have let Mr W down and understood it had caused him frustration as a result of its miscommunication

- to compensate Mr W for inconvenience caused it offered him £200 and asked him to let it know if he wanted to receive this payment

Unhappy with Prudential's response, Mr W referred his complaint to our service.

One of our investigators considered the matter and in summary said she understood how frustrating it would've been for Mr W to be misinformed repeatedly by Prudential. But she thought the compensation offered for this was fair.

Mr W disagreed with our investigator and in summary said:

- he hadn't been paid the £200 compensation Aviva had offered
- he only wanted £1,000 compensation and wasn't asking Prudential to honour the incorrect information it had given him about his final bonus
- when he'd asked for the value of his pension Prudential had sent him transfer forms he'd never asked for and this was yet another error

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 intending to direct Prudential to do anything further. I'll explain why. But before I do, I should emphasise that while I've taken note of the correspondence, arguments and comments made by both parties, I have limited my response to what I consider to be the issues central to this complaint.

I should firstly say I have real sympathy for Mr W. I can appreciate it will have been deeply frustrating and very disappointing to learn his final bonus wouldn't be added to the value of his pension in the way he was led to believe it would be.

It's clear to me that in an effort to understand the matter of his final bonus better and gain reassurances around the value of his pension, Mr W made a point of contacting Prudential directly several times. Unfortunately further confusion was caused following Mr W's exchanges with Prudential.

There isn't any dispute about the fact that Prudential provided Mr W with incorrect information regarding his final bonus. And Mr W is understandably concerned and very unhappy about this.

The issue I have to decide is whether the action Prudential has taken satisfactorily resolves the matter and sufficiently compensates Mr W for the trouble and upset caused by what happened.

In Mr W's submissions to this service he's said he doesn't expect Prudential to honour the incorrect information it gave him regarding his final bonus. I agree with this position. While Mr W was arguably led to believe the value of his pension was higher than it was, this doesn't mean Prudential is bound by the incorrect information it gave. In a situation like this, we aim to put a consumer back in the position they would have been in, had the correct information been given at the outset.

So for Mr W, the correct information is that the value of his pension already includes the final bonus applicable at his originally selected SRD, and not that this bonus has yet to added to the value of Mr W's pension.

I've also considered the original documentation applicable to Mr W's pension and having done so I'm satisfied that despite the incorrect information Prudential previously gave to Mr W, his final bonus has in fact been correctly applied to his pension.

In addition to providing Mr W with incorrect information over the telephone, Prudential also accepts that some of its written correspondence to Mr W was poorly worded. I agree. I don't think all of Prudential's letters to Mr W were as clear as they ought to have been.

Mr W's referred to the fact Prudential sent him a transfer pack he didn't request. I've looked into this further can see why Mr W would've been confused when he received this. From what I can see however, Mr W was sent the transfer pack as Prudential was attempting to send Mr W an up to date value for his plan with his final bonus included. This was following Prudential's telephone conversations with Mr W regarding his pension. Unfortunately it looks like the transfer pack was sent to Mr W without any cover letter or context so understandably Mr W was confused as to why it had been sent. This no doubt added to Mr W's frustrations that Prudential wasn't taking sufficient care with the enquiries he was making about his plan.

Because of the absence of clear and consistent explanations coupled with the provision of conflicting information by Prudential I think it was reasonable for Mr W to have the expectations he did at the time. I understand Mr W accepted what he was told by Prudential in good faith. And can appreciate his frustration as the situation could have easily been avoided if Prudential had been clearer. Prudential unfairly raised Mr W's expectations at an important time when Mr W would've in all likelihood been considering his financial position.

Turning now to the impact of the level of service Prudential provided Mr W with. It's clear to me trouble and upset has been caused to Mr W. For what has happened Prudential has apologised and offered Mr W £200 compensation. I think this level of award is fair and reasonable and in line with what I'd expect to see in the circumstances- especially considering the loss of expectation Mr W suffered and the avoidable distress and inconvenience Prudential's conflicting information caused.

I have real sympathy for Mr W and can appreciate how upsetting this will all have been. It's clear to me that having correct information about his pension was of great importance to Mr W and understandably so as I believe it would have an impact on decisions he made about his retirement. Prudential's errors will have naturally undermined Mr W's confidence in the service it provides and his faith in the information it gives him. But Prudential doesn't dispute the fact that it has got things wrong. It has apologised and offered compensation for what has happened.

I understand Mr W would like a compensation payment of £1,000 from Prudential for what has happened. But based on what I've seen I'm not persuaded that what Mr W has

experienced is to the extent that an award of this nature would be appropriate in the circumstances.

While I'm not directing Prudential to make the award I understand Mr W would like, in that I don't think Prudential should be bound to pay him further compensation, I should say that I do think it's entirely reasonable for Mr W to expect Prudential to provide clear, consistent and correct information. And it's unfortunate that in this case that didn't happen. I am genuinely sorry to hear of the impact that this has had on Mr W. I have sympathy for Mr W's situation and the confusion and frustration he experienced.

I don't underestimate or doubt Mr W's sincerity or strength of feeling in bringing his complaint to this service and I understand that my decision may come as a disappointment to him, but for the reasons I've explained I won't be asking Prudential to do anything further.

my final decision

My final decision is that I don't uphold this complaint. I leave it Mr W to decide whether he would like to accept Prudential's offer of £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 May 2019.

Chillel Williams
ombudsman