

complaint

Mrs M has complained, through a representative, about The Prudential Assurance Company Limited (Prudential). She believes they gave her unsuitable advice to take out a Free Standing Additional Voluntary Contribution (FSAVC) plan without advising her on the benefits she could get from her employer's Additional Voluntary Contribution (AVC) scheme.

background

The key events can be summarised as follows:

- In 1990 Mrs M took out a personal pension with Prudential. In late 1997 she joined her occupational pension scheme (OPS). In 1998 Prudential learnt about this. They stopped her contributions to the personal pension and refunded the payments she had made since she joined the OPS.
- In 1998 Prudential advised Mrs M to take out an FSAVC and convert her personal pension. This was to complement her OPS plan and to meet her objective of improving her retirement income.
- Mrs M took her pension in 2009 and in 2013 her representative complained to Prudential about the advice to buy the FSAVC. She claimed it was unsuitable because an AVC would've been a better option and she wasn't told this at the time. She also felt that the FSAVC, in itself, mismatched her very cautious risk attitude and that other options should've been considered at the time.
- Prudential disagreed with Mrs M's complaints. They felt they gave Mrs M sufficient information on the employer based AVC option and were required to do no more under regulations at the time. They also said that investment in the FSAVC With Profits fund was suitable to her risk profile at the time.
- Mrs M remained unhappy and complained to this service. One of our adjudicators considered the complaint. She sent a detailed letter to both parties, giving her opinion that Prudential had done nothing wrong.
- Mrs M has asked for an ombudsman's decision on the matter. Her representative disagrees with the adjudicator's views and believes the business' adviser did not do enough to properly *advise* her at the time. They dispute the fact find document from the time. They also feel Mrs M was pressured and perhaps *steered*, by the adviser, into the FSAVC for his benefit and not for hers.

my findings

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

The adjudicator's opinion letter was detailed. I do not propose to repeat the explanation she gave. However, within this decision, I will highlight some of the key and valid points she made.

Her letter helpfully listed the regulatory expectation from a representative at the time. In Mrs M's case, he was required to draw her attention to the AVC, inform her of the differences between FSAVCs and AVCs and direct her to her employer (or the AVC scheme trustees) for any further information she wanted.

In the fact find document, the adviser noted that an AVC information leaflet was given to Mrs M at the time. I have considered that leaflet. The adjudicator's letter quotes some of the relevant contents so I will not repeat that. I'm satisfied that the leaflet gave enough

information for Mrs M to know that the option of an AVC existed and to know the relevant differences between her options.

The adviser's note also said that he had explained the leaflet to Mrs M. On balance, I am persuaded to believe that he would have also directed her to the employer's scheme for further information about it. The declaration, signed by Mrs M (under her previous name), gives notice that he was not qualified to advise on products that did not belong to the business.

Mrs M disputes the fact find document because the adviser's note is handwritten in a section that isn't undersigned by her. I haven't seen enough evidence to give me cause to question the adviser's note. I also do not believe a signature from Mrs M would be necessary to make the note valid.

Another concern Mrs M has raised is that she was possibly *steered* towards the FSAVC and was not given time to look into the AVC option. Mrs M completed her FSAVC application form in January 1998. The FSAVC was set up in March 1998. It would appear that Mrs M had reasonable time to look into the AVC option before her FSAVC was set up.

Like the adjudicator, I'm satisfied that Prudential did enough to inform and advise Mrs M about the AVC option.

Mrs M has said the FSAVC, in itself, was unsuitable for her and that other options should have been looked at. It is important to remember the following:

- Mrs M was already in an OPS scheme at the time.
- She could not continue her contributions to a personal pension at the time.
- She wanted a way to increase her retirement income.

Given the above circumstances and Mrs M's objective, I don't think Prudential's recommendation to take out the FSAVC could be viewed as unsuitable.

my final decision

For the reasons given above I do not uphold Mrs M's complaint against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs M to either accept or reject my decision before 29 February 2016.

Roy Kuku
ombudsman