

complaint

Mr W has complained about the advice he received from the Prudential Assurance Company Limited ('Prudential') and its charge for that advice.

background

Mr W held pension plans with Prudential and another provider. Prudential suggested Mr W take financial advice about his plans ahead of retirement. In February 2016, Mr W agreed to meet with one of its advisers.

Prudential advised Mr W to transfer his plan with another provider to Prudential. Mr W says that he was told he could expect a higher income from Prudential. And he thought it would be more convenient for his plans to be consolidated at one provider. But Mr W complained to Prudential in May 2016 when:

- The income he received was less than he was offered by the other provider;
- The charges for the advice were higher than Mr W had agreed to;
- There were delays in the payment being made;
- His plans were not consolidated.

During May 2016, Mr W explained his concerns to Prudential. He told the business he had already queried the charges with the adviser. The adviser had said that the charges letter was a standard issue letter that should not have been sent. Mr W had asked the adviser to confirm this in writing, as well as for information about the cooling-off period, which he said he still had not received.

Prudential did not uphold his complaint. It said that although his annuity was less than quoted, this was due to market fluctuations. Mr W raised again his concerns about the charge for the advice.

On 1 June 2016, Mr W asked Prudential to cancel his annuity. But Prudential said the cancellation period had expired. Mr W then requested copies of all paperwork and call recordings. Unfortunately, key calls made to the adviser's mobile phone were not recorded.

In a final conversation on 6 June 2016, Prudential told Mr W that it was considering whether he could still cancel his annuity. At this time, it was recorded that the other provider would accept the funds back. But as there seems not to be a record of Prudential's annuities team's response, it appears Mr W was not allowed to cancel his policy.

Mr W then referred his complaint here.

Our adjudicator said the complaint should succeed. He said:

- Although the evidence was mainly circumstantial, it was clear that there was concern with the advice process;

- From the earliest point, Mr W had raised his concerns about a discrepancy in what he was told by the adviser about annuity rates and charges, compared to what then resulted;
- In particular, Mr W's complaint to Prudential that he had been told by the adviser that he was issued a standard charges letter and could expect a revised one should have been treated much more seriously;
- On the balance of probability, Mr W's account of what Prudential's adviser told him in person and over his mobile phone was credible;
- Prudential could have resolved the matter much earlier. Given the seriousness of the issues it ought to have let Mr W cancel his plan when he asked to do so. Particularly as he had first raised concerns before the cancellation period expired.

Prudential agreed in part. It agreed to pay Mr W £250 for the distress and inconvenience caused. But it was not prepared to refund the advice fee – as recommended by the adjudicator – because it felt Mr W was suitably advised.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. If the evidence is incomplete or not available, as in this case, I base my decision on the balance of probability. In other words, what I consider is most likely to have happened in the circumstances.

It is not disputed that Mr W received poor service from Prudential. It has acknowledged this and agreed to pay Mr W £250 in compensation. But I am not persuaded this offer properly reflects the consequences of its poor service. Nor am I persuaded by the evidence I have seen that in dealing with Mr W's complaint, it has properly addressed his concerns.

I have also noted that in its response to our adjudicator it reiterated its opinion that Mr W was suitably advised but offered no further substantive reasoning to support its opinion.

It is unfortunate that critical parts of the advice process cannot be verified. Important conversations Mr W said he had with the adviser (including asking not to proceed with his application) were made to the adviser's mobile phone. These calls were not recorded. In my view, the adviser should have taken such calls from a phone that could record the calls, given the importance of their content.

I have also noted that the suitability report and Mr W's signed application are dated 28 April 2016. But Mr W did not meet with the adviser on that date. It seems Mr W signed the form at an earlier date, at the instigation of the adviser who later dated it. I do not consider this to be good practice.

Mr W was persuaded to transfer his Aviva pension to benefit from a higher annuity. And so his plans would be consolidated which would be more convenient for him. I have not seen persuasive evidence to show he had other reasons for transferring. Whilst market changes might explain the drop in the annuity, the delay by Prudential between advising Mr W and providing the annuity is part of the reason for its lower value.

Mr W has pointed to discrepancies in the dates he received various documents from the adviser and when the adviser actually received them. These discrepancies are unexplained but, on balance, I have concluded they represented unnecessary delays in setting up Mr W's annuity. I am also not persuaded that the charges were clearly explained to Mr W. Prudential have acknowledged that Mr W was given inaccurate information to begin with but I have not seen persuasive evidence to show this was subsequently amended or clarified.

Parts of Mr W's complaint are difficult to evidence one way or the other. But based on the evidence I have seen, the balance of probability favours Mr W's account of events. The poor service he received means that he unnecessarily still has 2 plans, rather than a consolidated plan; has an annuity lower than he was led to believe he would receive; and has been caused considerable distress by his concerns not being adequately addressed by Prudential when he first complained.

Overall, I am persuaded the advice process was unsatisfactory and that the consequences of that unsuitable process merit redress greater than that offered by Prudential. It needed to ensure Mr W was fully informed throughout its advice process. I am not persuaded he was.

Prudential could have resolved this matter earlier. Once it knew Mr W had serious concerns about his experience with its advisor, it should have allowed him to cancel. Especially as, in my view, he complained before what should have been regarded as the correct cancellation period, had ended.

Mr W has indicated that if Prudential refund the cost of the advice he received, he will regard the matter as closed. In the circumstances, I have concluded this is a fair and reasonable way to resolve this matter.

my final decision

I uphold this complaint.

The Prudential Assurance Company Limited must refund the cost of its advice to Mr W. It must also pay him £250 for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 23 December 2016.

Terry Connor
ombudsman