

complaint

Mrs C has complained that the adviser from The Prudential Assurance Company Limited did not make her aware of the in-house Additional Voluntary Contribution (“AVC”) scheme offered by her employer. He instead advised her to take out a more expensive Free Standing Additional Voluntary Contribution scheme (“FSAVC”).

background

One of our adjudicators investigated the complaint. He did not recommend that it should be upheld. In summary, he said that he considered the adviser had complied with the relevant regulations that were in force at the time – in particular PIA Regulatory Update 20 (May 1996). He said the adviser had recorded that he had given Mrs C the relevant product literature which explained the differences in the schemes including their associated costs.

Mrs C’s representative did not agree with the adjudicator’s findings. It said, in summary:

- Mrs C was a long standing home service customer of the Prudential and as such she trusted what she was told by her adviser.
- After starting work as a receptionist she automatically enrolled into the employer’s occupational pension scheme (OPS).
- She contacted her Prudential adviser about her existing retirement annuity contract and personal pension regarding transferring them to her OPS.
- She did not recall actually having a meeting with the adviser only telephone calls and written correspondence.
- Her personal pension was transferred in October 1997, however it was found that the retirement annuity contract could not be transferred.
- The retirement annuity contract premiums were made paid up.
- As a result Mrs C was advised to restart her ceased contributions into an FSAVC.

The representative said it would have expected the adviser to inform Mrs C that she could have paid into the in-house AVC and she does not recall the adviser making this clear. It said that due to the complexities of the proposed transfers Mrs C completely trusted the adviser. The representative also said that it was aware that opt outs and FSAVC advice suitability cases were subject to reviews by many providers yet Mrs C did not recall ever being contacted about it.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so I have come to the same conclusions as the adjudicator, and largely for the same reasons.

The events took place nearly 18 years ago so clearly with the passage of time recollections may be vague. I note that Mrs C has said that she doesn’t remember meeting with the adviser. However, she signed the necessary documentation and it seems to me from the evidence presented that it was likely that a meeting took place.

The adviser specifically recorded that he gave Mrs C the leaflet entitled “Additional Voluntary Contributions – Some Important Features”. This leaflet explained the generic differences between AVC’s and FSAVC’s and that the employer often paid for some of the in-house AVC costs. Mrs A was also paying into her employer’s in-house AVC scheme and so she

would have been aware of its availability. In the circumstances, I am satisfied that the adviser met the regulatory requirements in force at the time.

Mrs C's representative has referred to the significance of the transfers that were also being advised on at the time and that the retirement annuity contract was made paid up. However I do not consider these issues meant that the FSAVC advice was inappropriate.

The representative has also said that Mrs C does not recall being contacted about a review of her FSAVC. It also mentioned opt outs. The advice given about the FSAVC has been reviewed as part of this investigation. It is not entirely clear to me whether the representative is saying that Mrs C was also opted out of an occupational pension scheme. However this is not the complaint that was referred to us. If Mrs C does think that she was inappropriately advised to opt out of an occupational pension scheme she should complain to the firm that gave her that advice in the first instance.

my final decision

My final decision is that I do not uphold the complaint.

David Ashley
ombudsman