

complaint

Mr C complains he was told he needed an ongoing advice service for his pension. He said this was wrong. He'd paid more than he needed to and he wanted his money back from. The Prudential Assurance Company Limited.

background

Mr C complains that when his pension was put into drawdown he was told he had to have a financial adviser. He was told other advisers may charge more and he needed an adviser for the term of the pension. On that basis he signed papers to commit to this. It subsequently became clear this wasn't right and he cancelled the agreement and complained. He wanted his money back that was paid to the financial adviser. He said that he set up the drawdown to receive a net amount. After a while the amount reduced for tax. He contacted the adviser who failed to take action. After 5 months he contacted Prudential direct who said they had no record of this request for an increase and he didn't need a financial adviser on an ongoing basis.

Prudential said the conversations weren't recorded. The advisers said he followed processes and made Mr C aware of all options before he proceeded. The adviser said he confirmed that he needed advice to move the pension but not for the duration of the pension. He did however recommend the optional ongoing advice service which had a monthly charge. There was no evidence the advice said other companies would charge more. Pension legislation required advice when transferring into drawdown and so it was correct to say Mr C needed advice to move into drawdown. It didn't uphold the complaint.

my provisional decision

I issued a provisional decision in the complaint. I said that as there was no record of the full conversation between Mr C and his adviser it was difficult to be certain what was said. In such circumstances this service refers to such evidence as is available and decides what is most likely to have been said.

The Prudential accepts that the adviser recommended the ongoing service but didn't say it was a requirement. This is what is said in the suitability letter and there is no other evidence to suggest it was a requirement. Given this I think it is most likely this is what was said at the time. The suitability letter would also have given Mr C the chance to check what had been suggested.

With respect to the complaint about the amount payable monthly, I noted that Mr C produced evidence of a 20 minute telephone call with his adviser. Unfortunately he cannot recall what was said in that call nor when he first asked the adviser to make sure he received £1,000 per month net. He does however say that he frequently called the adviser who didn't answer and there was no voicemail option. Based on what Mr C says and the evidence of at least one call I think it is reasonable to conclude that Mr C did as he says and was trying to get the monthly amount changed. I think this is further supported by the fact he then calls the Prudential direct and they make the change.

Mr C hasn't suggested that he has suffered any loss due to the delay in implementing this change. It is however clear that he needed to chase Prudential to get the change made and this was inconvenient. In the light of this I think an award of £100 for distress and inconvenience is fair in the circumstances.

I proposed to uphold the complaint in part and to direct that The Prudential Assurance Company Limited should pay Mr C £100 for distress and inconvenience.

Prudential said it had been in contact with Mr C's adviser. The adviser said that Mr C had asked to change his income but that he said a meeting was important to review circumstances and consider tax issues. He said he later became aware Mr C contacted the office direct and made the arrangements himself. The adviser recalled that Mr C was insistent that they shouldn't meet and should change the income without a meeting. It said it was possible this was what was discussed in the 20 minute call. It didn't accept that the adviser hadn't returned calls and said there was no reason to ignore them and that the adviser's phone had voicemail. In the light of the above it said there was no evidence that Mr C had to chase the adviser and in fact Mr C refused to engage with the suggested meeting and later dealt direct himself.

Mr C said he wanted a refund of the money paid for the adviser and didn't want compensation. He said other than trusting an adviser, he hadn't done anything wrong.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I haven't changed my mind.

The evidence from the Prudential supports what Mr C said. It's clear Mr C asked for a change in his income which wasn't actioned by his adviser. It is also clear that as a result he had to take action himself and chase the change by contacting Prudential direct. So I think my provisional conclusion remains correct, namely that Mr C needed to chase Prudential to get the change made and this was inconvenient for him and justified an award for distress and inconvenience.

While I note Mr C's comments my view of the arrangement to retain the adviser on an ongoing basis remains unchanged as neither party has submitted any further evidence to show that he was told it was a requirement rather than a recommendation.

my final decision

I uphold this complaint in part.

I direct that The Prudential Assurance Company Limited should pay Mr C £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 July 2019.

Colette Bewley
ombudsman