

complaint

Mr E complains The Prudential Assurance Company Limited gave him information about someone else's pension which caused confusion and meant he didn't take his pension when he otherwise would have. He also says Prudential then went back on a promise to backdate the calculation of the value of his benefits.

I haven't considered the concerns Mr E has raised with there being delays in the quotations he was given. As the investigator explained, this would need to be the subject of a separate complaint.

background

In January 2017, Mr E was sent some information about the expected value of his pension at his selected retirement date. The amount to be transferred was calculated under the pension review. He replied to say he would defer. He then received a pension options form in February 2017 with his deferment choices.

He says he called Prudential to query the value he'd been given because it showed the value had fallen. He quoted the policy number from the options form. But it then came to light that the policy number on that form belonged to another customer. He says Prudential gave him the name of the other customer and couldn't tell him what had happened or how much of the information he'd been given was wrong.

He says he therefore believed all the information he'd been given may have been about someone else's pension. And he lost confidence in the information he'd received. He says if he'd realised the information he'd been sent was for his pension, he would have taken his pension at that point. But instead, he asked for a new quotation to be sent.

Mr E complained and asked for an explanation of what had happened. Prudential apologised for the data breach and in a phone call, told him it'd backdate his pension calculation to February 2017. A final response letter was sent after the phone call which confirmed Prudential had given feedback in relation to the data breach and would investigate what'd happened and make sure Mr E didn't lose out financially if that was appropriate. It also sent a £50 cheque for the trouble and upset caused.

Mr E says he was happy with this promise. He therefore decided to transfer from his existing pension to a retirement account with Prudential to take drawdown. In April 2017, £404,245.02 was transferred to the drawdown account.

In May 2017, Mr E chased Prudential because he hadn't heard anything. It said it was still reviewing the financial loss assessment and that investigations were ongoing. But at the end of May, Prudential said it wasn't going to do anything more. It followed this decision with a final response letter. This said the only incorrect information Mr E had been given was the wrong policy number on the options form. And it hadn't seen any evidence that Mr E would have taken his benefits earlier if there'd been no shortcomings.

Mr E brought his complaint to this service. I issued a provisional decision upholding Mr E's complaint in part. A copy of my provisional decision is attached and forms part of this decision. In summary, I didn't think Prudential should be required to backdate Mr E's pension calculation to February 2017. But I felt the compensation it'd offered Mr E wasn't enough to

compensate him for the trouble and upset he'd been caused. So I recommended it pay him a further £150 – £200 in total.

Prudential agreed but Mr E didn't. He also requested recordings of further calls he had with Prudential – some of which Prudential was able to locate and provide. I've read and considered his response in its entirety. In summary, he said:

- Prudential had said it'd backdate his pension – it should be made to honour this offer because it's clear the complaint had been resolved at that point and no new evidence has come to light since. Effectively he has two separate complaints – the first one that was resolved by Prudential and the second one about its failure to pay him compensation in line with that resolution.
- He destroyed his paperwork after this offer and this is now causing him detriment.
- I've made incorrect assumptions about his thinking at the time. He'd been actively monitoring his pension and had been looking to take it quickly when the value was right – he wasn't tied to any particular date. But it felt like everything he was being sent and told was wrong. So despite receiving a number of quotations, he didn't feel able to make a decision based on the information he had because he didn't trust it.
- The January 2017 letter didn't make sense – it referred to a retirement date that didn't match his birthday and it contained two different fund values that couldn't both have been right and that didn't match anything he'd been given previously. He'd requested new quotations at this point because he knew this letter didn't make sense. He'd also been told to ignore this letter in a phone call because it was wrong. That phone call is one of the ones Prudential now can't trace. In the phone call with Prudential on 20 March 2017 it confirmed the values in the January 2017 letter weren't right.
- It's clear from the phone call with Prudential on 10 March 2017 that it was confused about what had happened. So it makes sense that he was also confused.
- The fact Prudential can't provide several important calls he had with it suggests it's trying to hide something.

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 offer Prudential made

I appreciate Mr E feels strongly that because Prudential made an offer to backdate his pension, it should be made to stand by that offer. I agree with him that it made this offer on the phone. I also agree that it followed that phone call up with a final response letter on the same day which said:

You let me know during our call that if you had been aware that the information we had sent to you was relevant to your policy and not the incorrect policy number, you would have arranged to take your benefits a few weeks ago. Due to our error and once we are in a position to pay your benefits, I will review your case to ensure you

have not lost out financially. I will compare the amount you could have received to the amount you will receive to make sure you receive the higher value.

And I agree that when he chased Prudential it told him it was simply a case of waiting for the calculations to be done.

But rather than simply doing these calculations, Prudential decided to review what he'd said about taking his pension earlier if he hadn't been given incorrect information. And having done this review, it decided there wasn't anything to support what he'd said.

I agree with Mr E that this isn't good enough. I'm satisfied Prudential should either have done this investigation before telling Mr E it'd do the calculations or have made clear to Mr E that this investigation was going to be done.

But the issue then is what Prudential should have to do to compensate Mr E for these shortcomings in its actions. And this is where I don't agree with Mr E.

I don't agree that businesses always have to stand by offers that they've made. It's clear to me that the offer was made because Mr E had told Prudential he would have taken his pension earlier if he hadn't been given information containing a wrong policy number. And Prudential took this information at face value initially – and in its final response letter of the same day – but then later looked into it further. So whilst the information it later relied on wasn't new, it hadn't been considered before. In the circumstances here, I'm satisfied Prudential was entitled to carry out this investigation.

I've therefore considered whether Mr E acted differently because of the offer – meaning it wouldn't now be fair for Prudential to not honour it. Mr E says he took his pension when he did and took an account with Prudential on the basis of the offer. But as I set out in my provisional decision, I haven't seen anything that satisfies me he would have taken his pension at a different time if the offer hadn't been made. And I haven't seen anything that persuades me he lost out by taking an account with Prudential.

I know my decision on this point will disappoint Mr E. But I'm therefore not going to require Prudential to stand by the offer it made originally.

I do understand that Mr E has suffered trouble and upset because of Prudential's actions. But I'm still satisfied that the additional £150 compensation – £200 in total – the investigator recommended for this is enough.

the impact the incorrect information had on when Mr E took his pension

I appreciate Mr E's frustration that Prudential hasn't been able to provide calls he said he had with it. I haven't been provided with any calls before one on 13 February 2017. And as I set out in my provisional decision, there's nothing in that call that indicates Mr E thought he might have been given incorrect valuations previously. Instead, it seems he was simply asking for quotations to be sent to him.

Mr E says he was only asking for the quotations because he knew the valuations he'd been sent couldn't be right. And he says someone at Prudential had agreed with him about this. Whereas Prudential says it has no record of that conversation and all of the information in the letter is correct.

Taking everything into account, I still don't think there's enough for me to conclude Mr E was concerned he'd been given incorrect valuations at that point. But even if there were issues with the valuations that Mr E had identified, they were projected valuations for 1 June 2017 – over four months later. And I don't think Mr E would have made a decision to take his pension based on projected valuations. So I think he still would have requested current quotations in any event – as he did on 13 February 2017.

Mr E chased these quotations on 10 March 2017. Prudential said it'd follow up on them for him. He then queried a letter he'd been sent recently. It became clear that letter contained a number connected to another customer's pension. I agree with Mr E that at that point there was a lot of confusion. And I can understand why he might then have queried all of the information he'd previously been given by Prudential – particularly as it was giving him conflicting information about whether quotations were showing as outstanding.

But I'm still persuaded that receiving the quotations was always going to be the deciding factor for Mr E in terms of what to do with his pension. In the call of 20 March 2017 Mr E told Prudential he'd just received the quotations and wanted to check they were right. He raised the fact he didn't feel he could trust them given what had happened before. But he was told the quotations were correct. And at that point he started to take steps to take his pension.

I therefore accept that all of the previous confusion meant Mr E didn't trust the quotations he received. But I can't ignore the fact that he rang Prudential immediately to tell it this and to get clarification that they were definitely correct. I can't reasonably say therefore that the confusion led to Mr E taking his pension any later than he otherwise would have.

my final decision

My final decision is that I uphold Mr E's complaint in part and require The Prudential Assurance Company Limited to pay Mr E a further £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 July 2018.

Laura Parker
ombudsman

COPY OF MY PROVISIONAL 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 planning to reach the same overall conclusion as the investigator. But as my reasoning is a little different, I've set it out as provisional findings and I'll consider any further comments and evidence I receive.

the offer made in the phone call of 27 March 2017

I've listened to the phone call Mr E had with Prudential on 27 March 2017. I agree with him that Prudential offered to backdate his pension calculation to February 2017 and make sure he hadn't lost out. But like the investigator, I don't agree that this means it now has to do this.

The representative Mr E spoke to made call notes that read:

I feel we do not have enough on our systems to refute what [Mr E] is saying about taking values earlier and it is clear we did send information with an incorrect policy number so due to this and we can't prove [Mr E] would not have taken benefits earlier, I have offered to review the amounts he receives to ensure no loss.

However, when Prudential then reviewed the full file, it felt there wasn't any evidence to support what Mr E was saying. In light of this, I'm satisfied it was reasonable to explain this to Mr E and to therefore not backdate the calculation to February 2017.

Mr E says he took his pension when he did and took a Prudential account on the basis of this promise. But it looks like Mr E had already taken steps to take his pension when the offer was made. And in any event, I'm satisfied it was the fall in value that prompted him taking his pension when he did. I also haven't seen anything that persuades me Mr E lost out as a result of taking an account with Prudential.

I know Mr E is frustrated and feels Prudential broke a promise it made to him. I accept this has caused him trouble and upset. But I'm satisfied the compensation the investigator recommended – that Prudential has agreed to pay – is enough to compensate Mr E for this.

the impact the incorrect information had on when Mr E took his pension

I can see that Prudential wrote to Mr E on 12 January 2017. The heading of this letter was:

Your Pension Value is £395,851.83 at 1 June 2017

And it went on to explain:

Fund value as at 1 June 2017 including the value of the guarantee £429,829

Mr E says he called Prudential to query the values quoted in this letter because they were lower than he'd been expecting. He says he was told to ignore the letter because it might not be correct. However, Prudential says it has no record of this phone call. Instead, it's provided a copy of the "Retirement date selection form" that had been included with this letter. This was signed and dated by Mr E on 21 January 2017. On this form Mr E selected the option:

It is not my intention to retire on the chosen retirement date quoted on my plan and my likely retirement date will be

He then inserted 6 February 2018 as the date. It's also provided a call recording from several weeks later – on 13 February 2017 – where Mr E asked for some quotations to be sent to him. I've listened to this phone call and there's no mention in it of Mr E thinking he may have been given an incorrect valuation previously.

I don't doubt that Mr E has given his honest recollections of what happened. But my role is to decide what's most likely to have happened based on all of the evidence. Here, it seems most likely to me that although Mr E may have had concerns about the valuation he'd been given in January 2017, he'd decided not to take his pension then and to leave it until around February 2018.

It's not clear when the pension options form was sent to Mr E. It refers to a quotation date of 3 February 2017 so it's likely it was either sent then – or shortly after. The policy number in this is the only incorrect information I can see Mr E was given. There's therefore nothing that makes me think Mr E had any incorrect information at the point he made the decision to leave his pension as it was on 21 January 2017. Instead, it just seems that's the decision he took based on what he knew then.

I accept Mr E was actively monitoring his pension because he then did request quotes on 13 February 2017. But there's nothing that suggests to me he was intending to make any decisions about his pension until he'd received those quotes.

There are then notes from a phone call Mr E had with Prudential on 20 March 2017 where he said he was unhappy he'd requested quotes five or six weeks ago and they'd only just arrived. This suggests to me that these were the quotes Mr E had requested on 13 February.

The quotes Mr E received in March 2017 were lower than those he'd received in January 2017. It seems it was these March 2017 quotes that prompted Mr E to take his pension. I'm therefore not persuaded the incorrect policy number Mr E was sent had any impact on when Mr E took his pension.

I accept that being given incorrect information has caused Mr E trouble and upset. But again, I'm satisfied the compensation the investigator recommended – that Prudential has agreed to pay – is enough to compensate Mr E for this.