

complaint

Mr J complains that, in 1993, he may have been given unsuitable advice to transfer a pension pot to The Prudential Assurance Company Limited (Prudential).

background

In 1993, Mr J's relative, an adviser with Prudential, arranged for him to transfer a pension pot from another pension provider to Prudential.

Mr J complained to Prudential in December 2016. He said he thought he may have lost valuable benefits such as a guaranteed annuity rate (GAR) when his pension pot was transferred. He also said he didn't recall any comparison of the costs before he was advised to transfer his pension pot.

Prudential didn't uphold Mr J's complaint. It said no advice had been given. It said its records showed the transfer of Mr J's pension pot was recorded as 'family business'. As this was the case it said no financial review had taken place and no advice had been given. It noted Mr J had signed a declaration saying he had not received any advice.

Mr J did not accept Prudential's response and brought his complaint to this service.

Our adjudicator did not recommend that the complaint should be upheld. He noted Mr J had signed a declaration confirming that no advice had been given. He said Mr J had chosen to sign this and it clearly set out that no advice had been given.

Our adjudicator also tried to establish what, if any, benefits Mr J had given up when he transferred his pension pot. Having contacted the current administrator for Mr J's previous pension provider, he said there was nothing to suggest Mr J had lost out on a GAR or other benefits. Nor did he think there was anything to suggest that the transfer was unsuitable.

Mr J didn't accept the adjudicator's view. He said he didn't have any financial experience at the time he moved his pension and had been given advice. He also said he had recently become aware that the transfer value given by his previous pension provider was lower than his fund value at that time. So he felt he had lost out financially and should be compensated.

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 don't think Mr J's complaint should be upheld. I'll explain why.

When Mr J transferred his pension pot in 1993 he signed a statement setting out that he hadn't received any financial advice. It said;
I have decided of my own volition to apply the transfer value of benefits under my former scheme to the Pension Transfer Plan and I accept that no advice has been given by the Prudential, to make the transfer.

Mr J says he did receive advice from his relative and would not have gone ahead with transfer if he hadn't been advised to do so. Unfortunately there is no record of what was discussed. No fact find was completed nor was any letter sent setting out why Mr J was transferring his pension pot.

In the absence of any advice records I must determine this complaint based on the information available.

Mr J says he thinks he may have financially disadvantaged as a result of transferring his pension. He says he thinks his previous pension may have had a GAR attached to it. But Mr J has not provided anything that would support this view. Our adjudicator contacted the current administrators for the Mr J's previous pension provider. It said Mr J had held a S226 Retirement Annuity Contract and no GAR was attached to the policy. So, in the absence of anything that suggests the policy had a GAR attached, I don't think Mr J has lost out on a GAR as a result of transferring his pension.

Mr J also says that during the course of this complaint he became aware that the transfer value offered by his previous pension provider was around £500 lower than the fund value. I note Mr J's comments. It is very unfortunate if Mr J's relative did not make him aware of this at the time Mr J transferred his pension pot. But even if, for whatever reason, Mr J was not told that the transfer value was lower than the fund value, this in itself does not mean that the transfer was unsuitable.

At the time of the transfer Mr J was 36 years old. He had a further 24 years before his planned retirement age of 60 years. I think this was sufficient time for him to have had a reasonable prospect of making up the £500 he lost as part of the lower transfer value. It may well be that the charges within the new Prudential pension plan were lower than those of Mr J's old pension, a Retirement Annuity Contract.

There are no records explaining why Mr J chose to go ahead with the transfer. But it seems that in 1993 when Mr J moved his pension both he and his relative, felt he would be better off he moved his pension pot to Prudential.

As there is insufficient evidence for me to conclude that moving Mr J's pension pot to Prudential was unsuitable I don't think this complaint should be upheld.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 March 2018.

Suzannah Stuart
ombudsman