

complaint

Mr E is unhappy with the service provided by The Prudential Assurance Company Limited ("Prudential") when he requested an enhancement to his annuity. He wishes to move his annuity to a different company but Prudential will not allow him to do so.

background

An adjudicator detailed his findings to Mr E in a letter dated 22 February 2013. The adjudicator concluded that the complaint should not be upheld. In summary, he determined that once the annuity was in force Prudential would not normally be expected to enhance it nor would it be expected to allow a transfer to another scheme.

Mr E did not agree with the adjudicator's findings and made the following points in response:

- Prudential did not consider the original medical evidence.
- It did not consider further medical evidence which was sent six months after the annuity application was completed.

my findings

I was sorry to learn of Mr E's difficult personal circumstances.

I have carefully 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 for similar reasons.

Once an annuity is in force Prudential would not be expected to enhance it. When Mr E returned the original paperwork on 2 February 2012 the medical questionnaire should have been included. As it was not included, Prudential put the annuity in place without any enhancement for Mr E's medical conditions.

However, as a concession to Mr E and recognising various administrative errors in setting up the original annuity, Prudential did subsequently decide to consider the medical evidence Mr E sent after 2 February 2012. Having considered the medical evidence, an enhancement was placed on Mr E's annuity which increased the minimum and maximum amounts payable.

When Mr E sent further medical evidence in September 2012 requesting Prudential further enhance his annuity, Prudential said it would not consider this.

Unhappy with Prudential's service Mr E requested that it transfer his annuity to another annuity provider. Prudential has refused to sanction such a transfer.

The annuity that Mr E has with Prudential is a contract which sets out the rights and obligations of each party to that contract. I have seen no evidence that would require Prudential to vary the terms of that contract such that it is required to consider medical evidence provided to it after the annuity contract was established or, as a result of administrative errors, to transfer the annuity funds to a third party.

Prudential has acknowledged that it made errors when setting up the annuity and for this it has made payments to Mr E totalling £550. These payments (of £50 and £500 respectively) compensated Mr E for Prudential not originally considering Mr E's medical evidence, even though it was not provided with that evidence at the appropriate time, for a clerical error which meant that the annuity payment was not initially set to the maximum amount and for various difficulties in contacting Mr E given the time difference between his country of residence and the UK.

For the reasons set out above, I do not consider it would be fair or reasonable to direct Prudential to further enhance Mr E's annuity income or to transfer his annuity funds to another provider. I understand Mr E will be disappointed by my decision but Prudential are acting in accordance with the terms of their annuity contract with Mr E.

my final decision

I do not uphold Mr E's complaint.

I am satisfied that Prudential's payments to Mr E of £550 in respect of the distress and inconvenience caused by the administrative errors are fair and reasonable and in line with what this service would award in similar circumstances. I therefore make no further award.

Terry Connor
ombudsman