

complaint

Mr M complains about The Prudential Assurance Company Limited (Prudential). He's unhappy with how Prudential handled the transfer of his pension to another pension provider.

background

I issued a provisional decision on 18 September 2019. I've recapped the background below:

"Mr M had a Stakeholder Pension Plan (plan) with Prudential. He wanted to transfer his plan to a Self-Invested Personal Pension (SIPP) with another pension provider, which I'll refer to as "Provider A".

Prior to initiating the transfer to Provider A, Mr M asked Prudential on 23 May 2018 to switch his plan from being invested in Prudential's North American Equity Passive Fund to its Cash Fund. Prudential processed Mr M's fund switch the following day.

On 15 June 2018 Mr M contacted Prudential and asked what his plan number was. Prudential advised it was his National Insurance (NI) number.

Mr M later completed relevant transfer forms and sent these to Provider A. On the basis of information Mr M gave, Provider A submitted Mr M's transfer request to Prudential via the Origo Transfer System (Origo).

Prudential received Provider A's transfer request for Mr M's plan via Origo on 26 June 2018. Prudential reviewed Provider A's request on the same day. And having done so, Prudential advised Provider A via Origo that it was unable to trace the plan using the number Provider A had given. Prudential asked Provider A to also provide the correct ceding scheme reference number.

Provider A responded to Prudential via Origo on 2 July 2018 saying Mr M had previously called Prudential to check his plan number and been advised it was his NI number. Provider A said this is what it entered into Origo for the transfer. It asked Prudential to confirm if this wasn't correct. Prudential responded on the same day and again asked Provider A to also submit the correct ceding scheme reference number.

Having been made aware the transfer wasn't progressing Mr M contacted Prudential himself on 5 July 2018. Mr M explained he was trying to transfer his pension. He said he'd previously phoned Prudential asking what his plan number was, that he'd been advised it was his NI number and this is what he'd given to Provider A as part of his transfer request. Mr M said he couldn't understand why his transfer hadn't been processed or why Prudential was asking for more information.

Prudential explained that as Mr M was transferring his pension via Origo, his NI number (his plan number) and the correct ceding scheme reference number for his plan were required. Mr M expressed frustration with this and raised a formal complaint. He didn't think it was reasonable that Prudential required more than his NI number to locate his plan and facilitate the transfer.

Following this Provider A contacted Prudential on 5 July 2018 via Origo saying it had now provided the ceding scheme reference number as well as NI number for Mr M's pension.

Prudential processed the transfer of Mr M's pension to Provider A on the same day. The transfer was completed on 11 July 2018.

On 10 August 2018 Prudential responded to Mr M's complaint. In summary it said:

- Mr M's plan number was his NI number. And when this had been provided it wasn't able to locate his plan details*
- for transfer requests made through Origo it required not only Mr M's plan number, but also the ceding scheme reference number. This reference indicated the specific type of scheme Mr M had. With this information (and Mr M's plan number) Prudential's administration team could allocate Mr M's plan to the correct department to process his transfer*
- because of the amount of schemes Prudential administered it hadn't been able to allocate Mr M's original transfer request to the correct department without the relevant information*

Unhappy with Prudential's response Mr M referred his complaint to our service.

One of our investigators considered the matter and initially said:

- based on the available evidence she didn't think it was reasonable to have expected Mr M to know when he made his transfer request that he needed to include his NI number and ceding scheme reference number for it to go through. And there was nothing to suggest Prudential had previously made Mr M aware of this requirement*
- she'd requested call recordings from Prudential to establish whether at any stage it missed an opportunity to advise Mr M of what the exact requirements for the transfer were*
- she thought Prudential needed to do something to put matters right*

Mr M responded to our investigator and in summary said:

- he was sure he'd informed Prudential during a telephone call that he wanted to transfer his pension to another provider*
- he found it hard to believe Prudential was unable to initially locate his plan. Especially given that his plan number was his unique NI number*
- he'd been financially disadvantaged by the transfer of his pension being delayed and had remained invested in Cash for longer than he would've been had the transfer gone through when it should've. He'd lost around £11,500 as a result*
- his intention had always been to switch his pension to the Cash Fund prior to transferring and invest in another fund as soon as his transfer to Provider A had been completed*

Prudential later provided transcripts of Mr M's calls with it between May and July 2018. Our investigator considered these and issued her assessment of Mr M's complaint. In summary she said:

- during a call on 25 May 2018 where Mr M discussed his fund switch with Prudential, she thought Prudential should've been able to see the transfer details Mr M had inputted online. Because of this she said Prudential should've been aware he hadn't included the required ceding scheme reference number*

- *Prudential had the opportunity on 25 May 2018 to warn Mr M that his transfer wouldn't go through based on the information provided and had it done so Mr M could've avoided the delay with his transfer*
- *she didn't think it was reasonable for Prudential to have expected Mr M to know that when transfer requests were made through Origo that the ceding scheme reference number needed to be included*
- *Prudential should establish what Mr M's transfer value would've been had it been completed on 25 May 2018. If Mr M had suffered a loss by the transfer not happening on 25 May 2018 Prudential should compensate him for this*
- *for distress and inconvenience caused Prudential should pay Mr M £100 compensation*

Mr M responded and in summary said:

- *he was originally invested in Prudential's North America Passive Fund and because he didn't want his pension to be at risk during the time it would take to transfer to Provider A he asked that his pension be moved from Prudential's North America Passive Fund to its Cash Fund*
- *after the transfer of his pension to Provider A had been completed his intention was to invest in Provider A's S&P Fund-which he did when his transfer was completed*
- *he should be compensated by any movement in the S&P Fund between 23 May and 25 July being applied to his pension or by any movement in Prudential's Passive Fund during this period*

Prudential responded and in summary said:

- *Mr M had never mentioned that he was looking to transfer his pension during his calls with it in May 2018. So it had no reason to check if any transfer was going through at the time when Mr M asked for his pension plan number*
- *it didn't agree it was responsible for any delay caused in the transfer of Mr M's pension*
- *it provided Mr M with all the relevant information at the first opportunity (on 5 July 2018) so it didn't agree to any of the compensation our investigator recommended"*

As no agreement could be reached the matter was referred to me for a decision. And my provisional findings were as follows:

"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 not intending to uphold Mr M's complaint. I'll explain why. But before I do, I should emphasise that while I've taken note of all the arguments made by both parties, I have limited my response to the issues I consider to be central to this complaint. That is to say:

- *whether Prudential did all that was required; fulfilling its responsibility regarding the transfer of Mr M's pension*
- *whether Prudential caused any avoidable delays in the transfer of Mr M's pension*
- *whether Prudential's requirements for Origo transfer requests are reasonable*

I should firstly say I have real sympathy for Mr M. It's clear to me the smooth and timely transfer of his pension was something of great importance to Mr M. Mr M took specific action to safeguard the value of his plan before it was transferred to Provider A. And this is why he asked Prudential to switch his plan to its Cash Fund. Mr M didn't think his plan would remain in Prudential's Cash Fund for as long as it did. He expected the transfer to go through relatively quickly.

Mr M's assertion that his intention was always to invest his plan in a specific fund with Provider A once the transfer was completed seems entirely plausible to me. So I can understand why Mr M is so disappointed with how long the overall transfer took and that that his plan was in a Cash fund for longer than he anticipated. Mr M considers he did all that was required to ensure the transfer went through as it should've, but feels failings by Prudential led to delays which resulted in him suffering an avoidable financial loss.

I think a useful starting point would be a general overview of the Origo Transfer System. Based on Mr M's submissions to this service and his correspondence with Prudential, I'm not sure whether Mr M completely understands the purpose of the Origo Transfer System or how it operates. Some comprehension of this is key to understanding where, if anywhere, Prudential failed to meet its responsibilities during the transfer process.

Origo is a real time software package. It allows transfers to take place without the need for pension providers to complete or exchange the paperwork usually required for transfers completed by more traditional methods (i.e. post). So Origo is meant to speed things up and streamline the transfer process. However Origo is only available for certain types of transfers between pension providers that are signed up to the system. Consumers have no access to Origo.

Both Prudential and Provider A are signed up to use Origo. So when Mr M completed and submitted forms to Provider A in order to transfer his plan to it, Provider A sent the transfer request to Prudential via Origo. Prudential's responsibility at this point was to pick up the request and process it accordingly. I've seen the Origo system notes applicable to Mr M's transfer request and note that Prudential reviewed Provider A's request on the same day it was submitted by Provider A.

Prudential has explained that in order to identify a consumer's pension plan and arrange its transfer it requires specific information to be submitted via Origo so it can ensure the transfer request is allocated to and processed by the appropriate team at Prudential. The way Prudential ensures the correct transfer request is passed to the appropriate team is by ensuring it has a consumer's plan number (which in Mr M's case is his NI number) and their plan's ceding scheme reference number.

I appreciate Mr M feels strongly that Prudential should've been able to locate and transfer his plan based on his unique NI number. But given the vast number of plans Prudential administers, a proportion of which use a consumer's NI number as their plan number, this simply isn't feasible. For transfers out Prudential's process is to ask for the ceding scheme reference number for a consumer's plan (as well as their plan number) so it can be sure the correct plan is being allocated to the right department for processing.

Prudential has confirmed that in some cases it's possible that consumers hold more than one pension under the same plan number (their NI number) so this is why Prudential specifically asks for the ceding scheme reference number to also be provided so it can identify the particular plan concerned.

I don't think Prudential's information requirements for transfer requests via Origo are unreasonable. Indeed I would expect Prudential to have a system in place to ensure its consumers' plans can be accurately identified and in doing so mitigate the potential for any mistakes with the transfer requests it receives-especially given the vast number of plans Prudential is responsible for. Because of this I can't fairly agree with Mr M that Prudential's repeated requests via Origo to Provider A for his ceding scheme reference number were inappropriate or that they directly led to any avoidable delay in the transfer of Mr M's plan.

I think the key issues here are whether it was reasonable to expect Mr M or Provider A to know that Prudential required Mr M's plan number and scheme reference number for the transfer to be completed.

I can see that sometime prior to Mr M's transfer request Prudential provided Mr M with his plan number and scheme reference number in correspondence it sent to him. But given that Mr M made his transfer request through Provider A (and not through Prudential directly) I wouldn't have expected him to know his scheme reference number was needed unless Provider A specifically asked Mr M to provide this. I haven't seen the paperwork Mr M completed and gave to Provider A so I can't say whether this happened or not. Nevertheless when providers are making transfer requests via Origo, if they don't know what information Prudential requires for a transfer they can call it for confirmation of this. From what I've seen, once Prudential received Provider A's request via Origo on 26 June 2018 Prudential advised Provider A immediately that it needed Mr M's scheme reference number to move the transfer forward. Based on this I think Prudential did all that was required to make it clear to Provider A what specific information it needed to take Mr M's transfer request further.

If what Prudential had asked for wasn't clear to Provider A I think it's reasonable to have expected Provider A to contact Prudential directly and query this. From what I can see it doesn't look like this is what happened. Following Prudential's message to Provider A on Origo on 26 June 2018 that it wasn't able to trace the plan based on the information provided (and that it needed the ceding scheme number), Provider A didn't respond to Prudential until 2 July 2018 to advise that Mr M had previously contacted Prudential to ask what his plan number was and had been told it was his NI number. Again, Prudential replied to Provider A on the same day saying it needed the ceding scheme reference number.

I don't know what conversation Provider A had with Mr M following 26 Jun 2018 or 2 July 2018 regarding the information Prudential required. But from the available evidence it appears that between 2 July 2018 and 5 July 2018 Provider A made Mr M aware of what information Prudential had asked for. Transcripts show that on 5 July 2018 Mr M called Prudential, explained he was trying to transfer his plan and that Provider A had said Prudential had said it needed the ceding scheme reference number. Once Prudential established during the call that Mr M's transfer was going via Origo, it advised Mr M would need to submit his ceding scheme reference number as well as his plan number, both of which she provided.

Prior to the 5 July 2018 call I can't see that Mr M had any conversations with Prudential about his intention to transfer away so I don't find that Prudential missed an opportunity to let Mr M know what its requirements were for a transfer going through Origo. Mr M asked Prudential for confirmation of his plan number on 15 June 2018 but made no mention of his intention to transfer.

Based on the available evidence, it seems to me that there was a possible delay in the transfer of Mr M's plan being transferred. I say this because:

- *Prudential advised Provider A on 26 June 2018 that it needed the ceding scheme reference number to take the transfer request forward*
- *Provider A didn't provide the ceding scheme reference number to Prudential until 5 July 2018. The request was passed to the relevant department at Prudential for processing a day later*
- *Prudential completed the transfer of Mr M's plan to Provider A on 11 July 2018*
- *had Provider A provided Prudential with the ceding scheme reference number on or soon after 26 June 2018 it seems likely Prudential could've processed and completed the transfer earlier*

Based on the available evidence I'm unable to fairly conclude that Prudential is responsible for any potential delay in the transfer of Mr M's pension however. From what I've seen Prudential acted promptly when picking up Provider A's request, responding to advise it needed the ceding scheme reference number and once this was provided, passing the request to the relevant department for processing. Prudential also completed Mr M's transfer in line with the relevant service standard for requests like Mr M's where the transferring plan was invested in Prudential funds.

Overall I don't think Prudential caused or contributed to any avoidable delay concerning the transfer of Mr P's plan. I think Prudential did all that was required in the circumstances and that its position regarding its requirement for Origo transfers is reasonable.

I don't doubt Mr M's strength of feeling or sincerity in referring this matter to our service. But based on what I've seen so far, I'm unable to conclude that Prudential has done anything wrong in the way Mr M has suggested. And because of this I can't fairly agree to our investigator's recommendation or Mr M's request that Prudential should pay Mr M compensation to take into account perceived delays and subsequent financial loss."

I invited Mr M and Prudential to comment on my provisional decision.

Prudential responded saying it had no comments to make. Mr M responded and in summary said:

- his first attempt to transfer his plan to Provider A was around 25 May 2018 and not 26 June 2018. He applied to transfer immediately after he'd asked to switch to Prudential's cash fund
- Prudential didn't ask for the ceding scheme reference for his plan until 2 July 2018. This is despite there being two transfer attempts before this
- Prudential could've easily searched for his plan using his NI number to identify which plan needed to be transferred but it didn't bother to
- he'd lost around £11,500 due to Prudential's lack of effort to find his plan along with its poor communication about information missing regarding his transfer request

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so, my decision remains broadly the same as before (and as set out above). That means I'm not upholding Mr M's

complaint for the reasons I've given. However I'll respond to some of the points Mr M has made following my provisional decision.

I'd first like to reassure Mr M that while I won't be responding to every single point he's made, I have carefully considered all that has been said. For simplicity I've summarised the relevant points in response to my provisional decision below and provided my responses following this.

Mr M says his first attempt to transfer his plan from Prudential to Provider A was around 25 May 2018 and not 26 June 2018 as suggested in my provisional decision. He says he applied to transfer immediately after he'd transferred to Prudential's cash fund

Although Mr M says he applied to transfer his plan from Prudential to Provider A around 25 May 2018, there's no record of Prudential receiving any transfer request from Provider A regarding the transfer before 26 June 2018.

It may be that Mr M did ask Provider A to initiate his transfer around 25 May 2018, but the fact remains that there's no evidence to indicate Provider A communicated any such request to Prudential before 26 June 2018. Because of this I'm unable to conclude that Prudential in any way delayed the transfer of Mr M's plan. As I said in my provisional decision, once Prudential received Provider A's request via Origo on 26 June 2018 it advised Provider A immediately that it needed Mr M's ceding scheme reference number to move the transfer forward.

Mr M says Prudential didn't ask for his ceding scheme reference number until 2 July 2018

Based on the messages I've seen Prudential and Provider A exchanged via Origo system regarding Mr M's transfer, I'm satisfied Prudential asked Provider A to submit the ceding scheme reference number on 26 June 2018. Provider A didn't respond to this message until 2 July 2018 via Origo and when it did it still didn't provide the ceding scheme reference number Prudential had previously requested.

Mr M has said he called Prudential in May 2018 saying he wanted to transfer his pension and asked what information was required. He says Prudential said he only needed to provide his plan number (his NI number) and made no mention of its requirement for the ceding scheme reference too.

I've listened carefully to recordings of the calls Mr M had with Prudential in May 2018 and there's no reference made during the calls to Mr M's intention to transfer his plan to another provider. Indeed the two telephone calls during this period only relate to Mr M's request to switch his plan from being invested in Prudential's North America Passive Fund into its Cash Fund and how long this switch would take. I wouldn't have expected Prudential to mention during these calls what its requirements were to action a request to transfer a plan to another provider unless this is something Mr M specifically asked Prudential about. There's no evidence to suggest he did.

I've listened to a call Mr M had with Prudential 15 June 2018, but again there's no mention of his intention to transfer his plan to another provider. Mr M only asks Prudential what his plan number is and Prudential confirms it's his NI number. It isn't until Mr M's call with Prudential on 5 July 2018 that he tells Prudential himself that he's trying to transfer to another provider.

And it's during this call Prudential confirms that for transfers via Origo the ceding scheme reference number is required too.

Mr M says Prudential could've easily searched for his plan using his NI number to identify which plan needed to be transferred but it simply didn't bother looking for it on its systems

I appreciate Mr M feels strongly that Prudential could've just searched for his plan using his NI number. But this isn't how Prudential works when arranging transfers out following requests made via Origo. I've already explained why Prudential uses the process it does and I don't think the process Prudential uses or its information requirements are unreasonable.

Mr M may feel there are easier ways for Prudential to locate a plan for transfer via Origo but it isn't this service's role to tell Prudential how to operate. The Financial Conduct Authority is responsible for this. Moreover, the process Prudential chooses to put in place in this regard is legitimate exercise of its commercial decision. It's entitled to request the information it does and process transfers accordingly. It isn't for me to interfere with Prudential's decision in this regard.

Mr M says he's lost around £11,500 due to Prudential's lack of effort and poor communication about information missing regarding his transfer request

I don't agree Prudential failed to make reasonable efforts regarding Mr M's transfer request, communicated poorly or that it caused him any avoidable financial loss. Indeed I must repeat what I said in my provisional decision- I think Prudential did all that was required in the circumstances.

Again, while I don't doubt Mr M's strength of feeling or sincerity in referring this matter to our service, I'm unable to conclude Prudential has done anything wrong. It follows therefore that I can't fairly agree to our investigator's recommendation or Mr M's request that Prudential should pay Mr M compensation to take into account perceived delays and perceived financial losses. I'm sorry to disappoint Mr M but there are no grounds on which I can reasonably uphold his complaint.

my final decision

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 November 2019.

Chillel Bailey
ombudsman