

## **complaint**

Mr S complains about The Prudential Assurance Company Limited's delays in executing his request to have a pension lump sum paid to him in April 2017. He says these delays meant that his plan dropped in value by almost £20,000.

## **background**

In January 2017 Mr S wrote to Prudential asking for some information in relation to his pension. He never received a reply, and when he chased at the end of January, he was told quotes could only be provided a maximum of 30 days before the benefits were to be taken.

So Mr S wrote to Prudential on 23 February 2017. He explained that the last payment into the plan would be in March 2017, and that he wanted to convert all his plans into an annuity with Prudential on 14 April 2017. He said he wanted to take the 25% tax free lump sum on 14 April, and he wanted the annuity to start paying in the next financial year on 14 April 2018.

Prudential has accepted that it should've sent Mr S the quotes he had asked for and an application pack. Instead, on 3 March it sent him an options pack which set out some illustrations around the various options Mr S had available to him – even though he had already explained what he wanted to do. At this point the value of Mr S's plan on 3 April 2017 was around £216,000.

Prudential sent a further letter to Mr S by error on 18 March which set out the options available to Mr S again. The value of his pension fund in April was still around £216,000. Mr S then received two further letters. The first on 27 March explained that the value of his plan was around £235,000. And, on page 2, it projected a total year starting income of almost £10,000 (although on that same page it also valued his plan at around £216,000).

The second, on 30 March, explained that he would soon be called by the specialist medical team.

On 1 April 2017 Prudential wrote to Mr S to ask him to disregard the letter dated 27 March on the basis that it was issued in error.

Around this time, Prudential had to cancel the medical underwriting appointment, so Mr S complained. He complained about the cancellation of the appointment. And he complained about the discrepancy in the figures relating to the value of his pension fund. He thought he had lost out financially as a result of something Prudential did.

Prudential replied to Mr S in May 2017. It accepted that Mr S was given wrong information after he had written to Prudential in February. And it apologised for not going ahead with the medical underwriting appointment.

It explained that this was as a result of a 'systems' issue, but even so, it accepted he had been given a poor service. It also accepted that it had sent him the wrong information on 27 March about how much his pension fund was worth. It explained that this figure was valid for that day specifically – and the reason it was higher is because this was an 'interim bonus period'. Essentially, this was the period when bonuses had not yet been declared. It explained that during this period values tend to increase in anticipation of what the final bonus might be. So while it didn't agree to pay Mr S the higher £235,000 figure, it did agree to pay Mr S £150 in compensation for the trouble and upset its actions had caused him.

Mr S didn't agree with Prudential and complained to this service. One of our investigators looked into Mr S's complaint. He explained that although Mr S thought he should be entitled to the higher figure of around £235,000, this sum was never actually available to him. He had requested to receive his benefits from April 2017 – and the figure of £235,000 would only have been available if he had chosen to take his benefits in March. But he did agree that Prudential's service had been poor and he didn't think £150 was sufficient compensation for the trouble and upset caused to him. So he recommended Prudential pay Mr S £250.

Prudential agreed with the investigator, but Mr S disagreed. In short, he said:

- None of the questions he asked in January, when he first wrote to Prudential, were answered.
- Prudential told him he had to wait 'one month' before receiving the benefits of his pension, but this was misleading. He said that Prudential required at least 37 to 40 days, including 5 working days to obtain valuations and 30 days for the income summary to be taken to the open market. He said this information misled him into applying for his pension on a revised date from 6 April onwards.
- He wrote to Prudential again on 23 February with further questions which weren't answered, and then was given information which wasn't useful to him.
- Several other letters were sent to him which didn't contain useful or relevant information.
- The valuation he received of £235,000 was 30 days after his request, so that was the figure that should've been available to him.

Mr S also said that, essentially, if he had been told it would take more than 30 days for everything to be arranged, he would've contacted prudential earlier than 23 February. If he had done this, he would've received his benefits before 31 March.

### **my 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've reached the same conclusions as the investigator and for essentially the same reasons.

At the outset, I'd like to explain to Mr S that I completely understand why he's disappointed with the service he's received from Prudential, and why he's confused about what he's entitled to. And I'd like to confirm that I've very carefully read and taken into account his detailed comments on the investigator's view. But the purpose of my decision isn't to address every point raised. The purpose of my decision is to set out my conclusions and reasons for reaching them.

Mr S has raised a number of complaints around the way Prudential handled his request. In the main, I agree that the service he's received has been very poor. In particular, I think it was confusing to receive so many different letters in such a short space of time, when Mr S already knew what he wanted to do with his pension. And to make matters worse, there were then further delays which meant that even his tax free lump sum couldn't be paid to him as quickly as he wanted.

But I'm not persuaded that Mr S has suffered the loss he thinks he has suffered. Ordinarily, Prudential ought to have been able to action his request in April as he had asked. I understand there were delays after April – but in fact Prudential have consistently given Mr S the option of taking the pension value which was available to him on 3 April 2017 when the request should've been dealt with. This means that other than the trouble and upset these delays caused him, he didn't suffer a financial loss.

So I've considered whether the investigator's recommendation for a payment of £250 is fair and reasonable given Mr S's circumstances. I think it is and it's in line with what I would've awarded. In particular, I think it reflects the poor service Mr S received as well as the inconvenience of being given an appointment which then had to be cancelled through no fault of his own.

I understand Mr S's most pressing concern is whether he would ever have been entitled to the higher pension value of around £235,000 which was sent to him on 27 March. I can understand why – after all, the letter suggested the value of his pension was significantly higher than previous (and subsequent) valuations.

But I'm sorry to disappoint Mr S – I'm satisfied that particular letter *was indeed* sent in error, and the figure wasn't available to him. The reason for this is that Mr S indicated he wanted to take his benefits from April. So the various illustrations and valuations provided to him showed him what the pension would be worth if he did this. With the exception of this one letter sent in error, all other communications about the value of his pension in April were consistent.

It's possible that if Mr S had initially written to Prudential and said he wanted to take his benefits in March, the value of his fund might've been different. But he needed to decide that he wanted to take his pension in March before knowing whether or not the value of his pension was going to be higher than the figure available to him in April. And I think this is key: if he had wanted to take his pension in March and followed the correct process, with the benefit of hindsight it's seems possible that he might've had the higher figure available to him. But at the time, without the benefit of hindsight, it was equally possible that the figure might have been lower in March than in April. This is why Mr S's specific instruction that he wanted to take his pension from April is key – and it's for this reason that the earlier figure, while higher, isn't what he was ever going to be entitled to receive.

So although I appreciate Mr S's frustrations, I don't think it would be fair or reasonable to ask Prudential to pay Mr S a value which wouldn't have been available to him, and which he was told about in error.

### **my final decision**

For the reasons I've given, I uphold Mr S's complaint in part. The Prudential Assurance Company Limited must pay Mr S £250 within 28 days of the date on which we tell it Mr S accepts my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 October 2017.

Alessandro Pulzone  
**ombudsman**