

complaint

Mr B complains that The Prudential Assurance Company Limited wrongly advised him. He says it told him the life cover element of his personal pension would continue if he took the pension as a repayment of his fund. He later became aware this wasn't the case and would like the policy reinstated.

background

Our adjudicator didn't uphold the complaint. She said that Prudential had wrongly advised Mr B that the life cover would continue but it then gave him the correct information. She said it did this before Mr B took the fund repayment. Mr B didn't agree with the adjudicator.

As the parties still don't agree, I've now reviewed the complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Prudential agrees it told Mr B he could take his pension as a lump sum repayment and still keep his life cover. It doesn't dispute this was wrong and sent Mr B a cheque for £100 in respect of the distress and inconvenience this caused him and £25 towards the phone calls he'd had to make. I think this was a fair and reasonable offer to compensate Mr B for the mistake.

Mr B applied to take his pension fund on a form dated 6 May. Prudential spoke and wrote to Mr B on 30 May explaining that it had given him incorrect information. It agreed to honour the fund valuation it had given him for a further two weeks so Mr B could consider what he wanted to do. The letter said Mr B should call Prudential to confirm whether or not he wished to receive the repayment. A further telephone note from 6 June confirms that the payment had been made.

So, although Prudential did make a mistake at first, the payment wasn't made until after it had explained its error, made Mr B aware his life cover would end if he took the repayment and given him time to consider this. I also note that the application form for the repayment stated clearly that the policy would cease if he went ahead. In the circumstances, I don't think it would be fair and reasonable to direct Prudential to reinstate Mr B's policy.

Mr B has said he was told at the time of sale that the life cover and the pension were separate. As this wasn't raised as part of this complaint, I can't consider it in this decision. I understand that Mr B is aware that he would have to bring that as a new complaint to the business.

my final decision

My final decision is that I don't uphold this complaint and I'm not awarding any compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 April 2015.

Helen McKenna
ombudsman