

complaint

Mrs J has complained on behalf of her late-husband's estate because The Prudential Assurance Company Limited has refused to keep paying all of Mr J's pensions.

background

Mr J took out retirement plans with Prudential in 1976, 1983, 1985 and 1991 for terms of 21 years, 13 years, 12 years and 10 years respectively. Mr J paid a set amount into each plan every month. And, when the plans reached the end of their terms (in 1996, 1997 and 2001), Mr J chose to convert them into annuities which paid him an agreed monthly pension.

When Mr J died the pension benefits from all but one of the annuities stopped being paid because he'd chosen a single life benefit which ended on his death. He'd chosen a joint life benefit for the annuity he took out in 2001, which has carried on paying a pension to Mrs J.

Mrs J has no personal or occupational pensions so had been reliant on her state pension and Mr J's pensions. She thought all the pensions Prudential was paying Mr J would continue after his death. So she says Prudential should've made sure all the annuities were taken out on a joint life basis.

Prudential says it's complied with Mr J's wishes and so couldn't carry on paying all four pensions. And our investigator agreed. Mr J wasn't happy with this so the complaint has come to me to review.

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 can't uphold the complaint – I'll explain why.

Mrs J says Prudential advised Mr J about what he should do but I don't think that advice related to the annuities, I think it related to the original retirement plans. It's clear meetings took place with at least one of Prudential's representatives when Mr J started his new retirement plans in 1976, 1983, 1985 and 1991. The application paperwork for each plan has a representative's details on it and Mrs J told us she remembered meetings taking place in the 1980s. But the applications completed at those times set out how much Mr J would pay into each retirement plan and how long each plan would run. There was no option on the forms to say what Mr J would ultimately want to do with the pension fund that would accrue from his monthly contributions over the intervening years. So they didn't set out whether he'd eventually want a single or joint annuity, or to do something else with the money.

People's circumstances change over time, so it wouldn't necessarily have been the right thing to make decisions about what to do with the money Mr J was putting into those four retirement plans when he took them out. I appreciate Mr J may have discussed with Prudential's representative what he thought he might end up doing with the money. But, as I say, there was no specific instruction given on the application forms. And I think it's entirely possible Prudential's representative would have explained that those decisions would be made when the plans matured, as that's usually how these things work.

Instead, when each retirement plan was coming up to its maturity date it looks like Prudential wrote to Mr J setting out his options. Mrs J has talked about meetings having taken place in

the 1980s yet, as I've already said, the decisions about what pension benefits to take were ultimately made when the retirement plans matured in the 1990s and 2001. Prudential has no records of any meetings taking place at those points in time and Mrs J doesn't remember discussing anything with them then either. So I can only assume that Mr J ultimately decided what to do with each retirement plan when it matured, without further advice being sought from Prudential.

With that in mind, Prudential has given us the two forms Mr J completed in 1997 and the one from 2001 which all give him the option to take a single or joint life benefit (as well as options to get a transfer value, additional quotes or defer benefits). Various benefit options were also given – different cash lump sums, different monthly payments, term guarantees etc. Both times in 1997 he chose a single life pension which meant Prudential would pay him a set amount each month throughout his lifetime. Mrs J says they didn't understand the paperwork but I don't think it was misleading and, if they weren't sure about anything they could've asked Prudential for help.

Prudential hasn't been able to provide the same correspondence for the annuity Mr J took out in 1996. But Mrs J has given us some paperwork from this time. This doesn't include a joint life option but I don't think I've got all the paperwork Mr J was sent – again that's not surprising given the time that's passed. For example there's a letter sent dated 9 May 1996 which says it encloses the requested "single life" quotation. So a joint life quotation might've been sent before that. And then there's another single life quotation dated 17 June 1996 which says it's page 2 of 4 and Mrs J no longer has the other pages. In any event, it seems Mr J picked a single life benefit for this retirement plan too. And that mirrors what he selected when the next two retirement plans matured. So, even if he wasn't given a joint life option (and I can't be sure he wasn't) I think it's likely he'd still have selected a single life benefit.

In 2001 Mr J did select a joint life benefit. Mr J says that's because the paperwork they were sent then was clearer about their options. The paperwork certainly is different, which isn't surprising as a number of years had passed from when the first three retirement plans matured. But it's possible Mr J just made a different decision about the benefits he wanted from this fourth and final plan.

I realise that, with the benefit of hindsight, it would have been better for Mrs J now if Mr J had taken out a joint life pension. But that would've meant Mr J receiving a lower monthly pension while he was still alive, which I'm not sure Mrs J fully realises. And that may well have informed the decisions Mr J took in 1996, 1997 and 2001. As things stand, Mr J decided what benefits to take and Prudential has stuck to those agreements. So I can't say that it's done anything wrong or should carry on paying Mrs J pension in relation to the other three annuities.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 6 November 2017.

Ruth Hersey
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