

complaint

Mr S complains The Prudential Assurance Company Limited didn't contact him about a pension he had until nine years after his selected retirement date.

Mr S is being helped in his complaint by Mrs B.

background

Mr S had two pension plans with Prudential. The first pension was taken in 2006. At the time Mr S took the entire pension as a lump sum as the total value of all of his pensions was less than £15,000.

Prudential didn't notify Mr S when his second pension plan reached its selected retirement date in 2008. It wasn't until Prudential contacted a government department in December 2016, in an attempt to trace Mr S that he was asked to provide his up to date contact details. Prudential then wrote to him about his pension on 10 March 2017. Mr S was notified of the pension when Prudential's letter reached him.

When receiving the letter on 10 March 2017, Mr S tried to see if his pension was listed on the Experian Unclaimed Assets register. He also called Prudential to find out the value of his pension and was told £8,610.89. But a couple of weeks later the value was questioned as it had dropped and after Mr S completed the necessary paperwork, he received a lump sum of £7,880.60.

Mr S and Mrs B complained to Prudential about this and the delay in being told about the pension and not updating his correct address details (during claiming his pension). Prudential upheld their complaint in part. It agreed that it should have done far more far sooner in trying to trace Mr S and pay him his pension. It also agreed that it hadn't updated its records to show Mr S' address in March 2017 when it was given his new address details. Because of that it sent Mr S £250 to go some way to putting this matter right.

But it also found Mr S hadn't suffered a loss as a result of not taking his pension in 2008. It added interest to the amount he would've received at that time (at 8% per year) and compared that to the current value of his pension, which was greater. So it found Mr S hadn't lost out financially as a result of its error. It also explained to Mr S that the pension value given in its letters was a quote that made assumptions about the amount of terminal bonus that would be declared. But at its year end the terminal bonus applicable dropped, which was reflected in the amount he actually received.

Our investigator looked into the complaint and concluded that what Prudential had already done was fair, so he wasn't going to ask it to do anymore.

Mr S and Mrs B have asked for matter to be referred to the ombudsman. In summary they've said:

- Although Mr S hasn't been disadvantaged financially, he's missed out on the enjoyment of these pension funds which can't be replaced.
- They assumed a company like Prudential would've given its customers every opportunity to find lost policies. If other customers got the negative outcome they did from the Experian Unclaimed Asset Register they might not think any policies existed.

- Mr S has lost out on 9% of the final bonus because of Prudential's systems.

my findings

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

Mr S had two pension plans with Prudential; one of which reached its selected retirement date (SRD) in 2006. At some point between taking this pension and his other pension reaching its SRD in 2008, Mr S had changed address. But because Prudential hadn't linked the two policies his address records weren't updated.

And it doesn't appear Prudential started looking for Mr S for some years. I agree with Prudential that it should have done much more much sooner. In situations like this I would expect a business to ensure that its customer hasn't lost out financially because of its error. Prudential has explained the pension had a value of £4,287.17 in 2008. We would usually expect a business to add 8% simple per year to that figure where a customer has lost out on the use of money. Prudential has already done that (£6,856.56) and compared that with the value of pension that Mr S received - £7,880.80. So Mr S hasn't lost out financially as a result of him not receiving his pension in 2008, he's better off by over £1,000. And that includes what we would award for not having the use, and therefore the enjoyment, of the funds.

Mr S is unhappy Prudential didn't list his pension on the Experian Unclaimed Assets Register. I appreciate the sentiment behind the point Mr S makes. But I'm not aware of any requirement for Prudential to list assets on this register. And it seems to me this was something Mr S only searched after he received Prudential's letter of 10 March 2017. So Mr S hadn't been searching for his pension earlier, indeed it would appear this was a pension he'd forgotten about; when taking his pension in 2006 he completed forms stating he didn't have any other pensions. So I don't think Mr S has been prevented from taking his pension sooner because of Prudential's decision not to list unclaimed assets on this register.

Mr S is unhappy the pension he received was lower than the amount quoted in a call and he believes this is due to Prudential's systems. When Prudential wrote to Mr S on 10 March 2017 he was given a quote of £7,846.75 as a fund valuation figure for 10 April 2017. But this letter also warned Mr S the figure could change. He was provided with three options for taking his pension.

Mr S opted for the return of funds option, and he completed the forms for this on 4 April 2017. It was explained within the forms that the quote was only guaranteed if the forms were received by 10 April 2017. It's not clear they were returned by that date but the lump sum Mr S received was higher than that quote in any event.

Mr S says he was told he would get £8,610.89. I can't see this in any of Prudential's records but even if he was, I'm not persuaded this figure was guaranteed to him, particularly as the written quotes weren't.

Mr S was invested into the with-profits fund and Prudential has the discretion to set terminal bonus rates at an appropriate level (and review that) to ensure its customers get their fair share of the underlying assets in the fund. That means that terminal bonus rates aren't guaranteed. The rates applicable to Mr S were reduced between Mr S being written to on 10 March 2017 and the lump sum being taken. And although Mr S completed the return of

funds form at the beginning of April, that was too late to receive the previous years' terminal bonus rate.

I do understand it must be disappointing to be told one figure and to receive something lower. But this was because of the terminal rates changing, not due to any delay on Prudential's part or something going wrong with its systems. And I'm mindful the amount he did receive was higher than the quote he was given in both the letter of 10 March 2017 and the return of funds form.

Mr S has been put to some inconvenience because of this delay. And it must have been distressing for Mr S find out he's missed out on having a pension for nine years. But having taken into account that Mr S is better off financially as a result of its error, I find the £250 offer of compensation by Prudential to be fair and reasonable and I don't require it to do anymore.

my final decision

For the reasons given above, my final decision is that The Prudential Assurance Company Limited has already fairly resolved this complaint. I require it to pay Mr S the £250 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2017.

Claire Hopkins
ombudsman