

## complaint

Mrs C is complaining because she says that The Prudential Assurance Company Limited ('Prudential') failed to set-up her pension in line with her instructions.

## background

The adjudicator wrote to Mrs C in October 2012 with her assessment of the complaint. The background and circumstances to it were set out in that assessment. The adjudicator did not consider that Mrs C's complaint should be upheld. In summary she said:

- Although Mrs C's pension was made up of four separate parts, known as tranches, it was only one policy. Mrs C made four single contributions into the pension - each new payment created a new tranche.
- Mrs C confirmed that she had received member's benefit certificates from Prudential. Therefore, she could have contacted Prudential earlier than 2005 to query why she had received different benefit certificates with different maturity dates.
- Prudential confirmed that the endowment policy matured in May 1998. It gave a breakdown of what happened to the proceeds but it was unable to account for £165. Prudential agreed to pay Mrs C the £165 along with 8% simple net interest to the date of settlement. The adjudicator considered this was reasonable.
- The letter Prudential sent to Mrs C's home address in May 1998 confirmed that she agreed to invest £4,000 into her Prudential Investment Bond and £564 into her personal pension. Therefore, she could have contacted Prudential after receiving the letter to inform it that the information in the letter was incorrect.
- In 2006 Mrs C chose '*option one*' on the annuity form that Prudential had sent her and her annuity was set-up accordingly.

Mrs C disagreed with the adjudicator's conclusions. In summary, she said:

- She considered that the benefit certificates she received were acknowledgements/receipts for her investments.
- She only became aware of how her pension benefit had been processed when she received the letter from Prudential in October 2005. As far as she was concerned the plan was straightforward. Prudential's adviser had never mentioned to her that her plan was different to what she had believed it to be.
- Prudential was unable to give her a definitive answer about what had happened to some of the proceeds from the endowment policy.
- After looking through her paperwork she could not find a copy of the letter that Prudential had said it sent to her in May 1998.
- The meeting that took place between her and Prudential's adviser is clear in her memory. She did not want to invest in a bond and she made that clear to him. She wanted to invest her money in her pension.
- The £165 that Prudential is offering as compensation is her own money.

Mrs C subsequently provided another submission in which she questioned where £729 had gone from the £4,729 which she had instructed the adviser to invest.

Prudential confirmed that it has nothing further to add.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Although I understand that Mrs C is unhappy that her pension had been set up with four separate benefits the firm has confirmed that it was still effectively one policy – I have seen no persuasive evidence that the plan being structured in this way has caused any disadvantage to Mrs C. Prudential has confirmed that the contributions were invested in the same funds and so the amount paid out has been the same, and she was able to take all the benefits at the same time and so was not restricted by it.

Mrs C has said that she did not want any money from the matured endowment policy invested in a bond – she wanted it invested in her pension. The adviser sent a letter to Mrs C in May 1998 in which his recommendations were outlined – including the investment into the bond. Mrs C has said that she did not receive this letter. However I note that she has also said that she received the member's certificates each time she invested but thought they were effectively receipts. So it appears reasonable to assume that when she got the certificate for the investment of £564, but understood that she was investing another £4,000+ into her pension, she would have queried the matter then. Prudential has also confirmed that it sent a copy of the policy literature to Mrs C at the time that the investment bond was arranged. So I am satisfied that Mrs C ought reasonably have been alerted that some of her capital was invested into the bond.

Clearly I cannot determine with any reasonable degree of certainty what Mrs C verbally instructed the adviser to do with her monies during the advice process. However, like the adjudicator, I am not persuaded that there is sufficient weight of evidence to reasonably conclude that Mrs C wanted to invest that capital in her pension rather than the bond.

Mrs C has queried where £729 of the £4,729 went. Firstly, £4,000 was invested into the bond. Of the remaining £729, £564 was invested in the pension. The remaining £165 is what Prudential cannot specifically account for. Prudential has offered Mrs C this £165 plus interest because it cannot provide documentary evidence to show what happened to it – although it thinks that it would more likely than not have been paid out in some form to Mrs C at the time. So I think Prudential's offer to pay Mrs C the £165 now, plus interest, is a fair one. If, for some reason, it was not paid to Mrs C at the time, it is now, and with interest. In my view, this is reasonable.

### **my final decision**

My final decision is that I do not uphold Mrs C's complaint, in so far as I consider that Prudential's offer is fair and reasonable in the circumstances. I simply leave it for Mrs C to decide if, on reflection, she wishes to accept the firm's offer.

David Ashley  
**ombudsman**