

complaint

Mr T complains about the level of service he received from The Prudential Assurance Company Limited ("Prudential"). In particular he says:

- he was repeatedly given incorrect information and told he could only take an annuity, when its brochure said otherwise. He says he had to employ an accountant and a financial adviser at extra cost, to help clarify his position. He said he also had to make numerous calls at additional cost and this caused him undue stress.
- he was told he would get his lump sum payment no later than 23 December 2016. Prudential missed this deadline, causing him upset and inconvenience as he had to cancel a Christmas holiday and borrow money to repay a debt.
- Prudential avoided telling him the value of his fund.
- it deliberately delayed paying him until the last working week of December 2016. If his fund value had been paid out a couple of days later, he thinks it may have increased significantly.

background

Mr T first contacted Prudential in June 2016 to find out what his options were for taking his pension. Mr T lives in the Channel Islands.

Around October 2016 his financial adviser complained to Prudential about the conflicting information he'd been given about his pension options and that Prudential hadn't telephoned him back when it said it would. Prudential upheld his complaint and paid Mr T £100 for the distress and inconvenience he'd been caused by this. In its response it said he could only take his pension as an annuity because under the relevant tax laws for the Island, it wasn't able to give him a transfer value for this type of policy. It went on to say that if Mr T provided evidence of the fee he had paid his accountant it would consider reimbursing those costs.

In November 2016, he complained again to Prudential that it had given him incorrect information about his options. Prudential again upheld his complaint and paid him £100 for the distress and inconvenience caused.

In December 2016, the Comptroller of Taxes for the Island on which Mr T lived, notified Prudential that as Mr T's plan was not an approved pension plan for its purposes, it had no objection to the whole value of Mr T's plan being paid to him without deduction of income tax payable to it.

In late December 2016, Mr T complained for a third time to Prudential. This time his complaint concerned Prudential's failure to tell him that it would need proof of identify before making payment to him. He also complained about its failure to pay him his lump sum by 23 December 2016. Prudential upheld his complaint and accepted that it had provided a poor level of service. It said it should have told him the fund value and claim form sent to him were based on payment being made on 8 January 2017. And he had been incorrectly advised that payment would be made on 23 December 2016. He was told that his financial adviser had been informed that to pay the value quoted (projected and guaranteed until 8 January 2017) the earliest the payment could be made was 30 December 2016. Prudential told Mr T if the payment was made before that date it could revalue his policy and the value would be a lot lower because it wouldn't include the bonus added on 1 January 2017. It said his financial adviser had agreed that payment should be made on 30 December 2016, based on the value from 8 January 2017.

Prudential paid him a further £100 for the distress and inconvenience caused. It also paid him £300 to cover his accountant's costs.

Mr T complained to our service in May 2017.

Our investigator looked into Mr T's complaint. He didn't uphold it because overall he thought that Mr T was in a better financial position than he would've been if the payment had been made on 23 December 2016. That's because he would've received around £122,000 then, and he got around £143,000 when it was paid around a week later. So he didn't consider that he could fairly require Prudential to compensate Mr T any further.

But, he said, as Mr T had raised concerns about the fund value provided by Prudential as at 1 January 2017 (a non-business day), he'd like it to send Mr T the fund value as of the first business day in January 2017 (3 January 2017).

Mr T didn't accept our investigator's recommendation. He said, in summary:

- the policy was due to mature on 4 January 2017;
- he'd asked for an earlier settlement to clear some financial commitments. This would've been beneficial at the time, but he wasn't made aware of the difference in the fund values in 2016 and 2017 until this service asked Prudential for that information. This showed a lack of transparency;
- he was constantly asking for fund values which Prudential deliberately withheld;
- our investigator initially suggested a token gesture of £250 and he wanted to know why this had been withdrawn; and
- he wanted to highlight how difficult and painful Prudential's claims process was.

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 has acknowledged, upholding Mr T's three sets of complaints, that the level of service it provided him with was poor. It has paid him three lots of £100 to acknowledge the distress and inconvenience it has caused him. It has reimbursed his accountants costs of £300.

Mr T says he has also paid his financial adviser £700 to assist him with this.

The lump sum payment Mr T got on 30 December 2016 was much higher than it would've been had it been paid to Mr T on 23 December 2016, when he was expecting it. So, Mr T has in fact financially benefitted from the delay in payment. This is because an annual bonus was applied because the value date was on or after 1 January 2017. Clearly, Mr T was inconvenienced and caused some upset by the delay in payment. But, Prudential has already accepted this and paid him £100 as a gesture of goodwill. Overall, I think Prudential has done enough to put right what it did wrong by not making the payment on the 23 December 2016, as first agreed.

Prudential said the earliest the fund value quoted (projected and guaranteed until 8 January 2017) could be paid out was 30 December 2016 and that Mr T's financial adviser agreed for payment to be made on this date. I've checked with Prudential what the

difference would've been if it had used a fund value taken on the first business day of 2017. It would've been around £6 more. Mr T appeared keen to get hold of the money as soon as possible; indeed he had plans to use it to repay a credit card debt and to go on holiday. So, I don't think that Prudential did anything wrong paying him as soon as it could on the 30 December 2016, rather than delaying payment until the new year. It paid him on the earliest date it could with the bonus added.

Mr T says that Prudential avoided telling him the fund value and that he constantly asked for this information which Prudential deliberately withheld. Initially Prudential believed it was unable to give Mr T a fund value because of the Island's tax laws. I understand it did provide a quote once the Comptroller of Taxes wrote to it. I think the delay in providing the fund value arose from a mistaken belief as to the options available to Mr T, rather than any deliberate intent to withhold information he was entitled to. Prudential has already paid Mr T £100 on three occasions for giving him conflicting and unclear information. Taking this into account, I do not consider it appropriate to make any further award.

Looked at as a whole, I think Prudential has fairly accepted that it should have provided Mr T with a better level of service. But, I think that the action it has taken to compensate him has meant that Mr T hasn't been financially disadvantaged and that it has adequately acknowledged the extra costs and inconvenience he was put to. I see no reason to make a separate award to cover the amount he paid his financial adviser. So, it follows that I do not uphold his complaint.

my final decision

I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 February 2018.

Kim Parsons
ombudsman