

## **complaint**

Mr B is unhappy about the way The Prudential Assurance Company Limited has handled the pension policies he holds with them.

## **background**

In 2016 Prudential contacted Mr B to tell him that he was about to reach the stated retirement age for his pension policies. It asked what he wanted to do. Mr B is unhappy with the response he received when he contacted them. In particular, he's unhappy that;

- He was told that he must have advice from a financial adviser before he can move his pension funds into drawdown.
- He wasn't told that there was another drawdown option which he could use without taking advice.
- There is a lack of clarity concerning moving his pension funds from capital to accumulation units and this may have the effect of increased charges.
- He was sent a letter which suggested he could not access the funds for twenty years.
- Pension quotes were not provided in good time and the latest quotes are for the wrong retirement ages.
- His calls were not returned.

Prudential upheld the complaint in part. In summary, it accepted that its correspondence after maturity could have been clearer. It apologised and offered £125 for any inconvenience that caused. But it explained that it did require Mr B to take advice if he wanted to transfer his policies into drawdown.

Mr B referred his complaint to this service.

Prudential confirmed to our investigator that the units in the pension funds had been transferred as they should have been and that there were no extra charges. It also said that its records showed that it had made calls to Mr B which had not been answered and there had been no message facility.

Prudential also confirmed that the units had been converted and that charges would be made in accordance with the terms of the plan.

The investigator didn't think the complaint should be upheld. She explained that Prudential could insist that financial advice was obtained before transferring into drawdown in these circumstances. She noted that Mr B had not been told about the Personal Choices Plan and the option this gave to transfer into drawdown without advice but she explained that the person Mr B spoke with was there to provide information and not advise him on options. Overall, she felt that the offer was fair.

Mr B did not agree. In particular he says that he asked a direct question about whether there were drawdown options available to him that did not require him to take advice and he was not told about the Personal Choices option. He only found out about this from Prudential's website.

And subsequently Mr B has said that Prudential has provided quotes for future benefits based on the wrong ages.

So the case has been referred to me for a decision.

### **my findings**

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

I've tried to summarise above what both parties have said but I have read everything. I've also listened to the telephone call between Prudential and Mr and Mrs B from October 2016.

I've decided not to make any additional award above the £125 that Prudential has offered. I'll explain why.

I think the crux of this complaint relates to pension freedoms and what Mr B was and was not told when he spoke with Prudential. So I'll look at that aspect first.

Prudential has confirmed that these policies can be moved into drawdown. So the pension freedoms are "available" for these policies. However, it's also confirmed both in the telephone call and subsequently that this would be subject to Mr B taking financial advice. This is because if the policies were moved into drawdown a new contract would be created and Prudential can and does insist on financial advice being taken for "new" business like this. Essentially that is a matter for its commercial discretion and not something this service would normally interfere with.

It may be the case that Mr B could transfer these policies to a new provider that did not have the same restrictions on moving to drawdown. But that doesn't mean Prudential is wrong or that it is acting unfairly.

I have listened to the call between Mr (and Mrs B) and Prudential. I think Mr B was trying to establish if there was any way that these policies could be moved to drawdown without incurring the costs of financial advice. I think Prudential's representative left him with the understanding that this was not possible. Whilst this is technically the correct position for *these policies*, it seems that the reality is that there was the option to move them into a different plan (Personal Choices) which does allow a form of drawdown on a non-advised basis.

So I think Mr B could have been told that whilst it is not possible to move *these policies* into drawdown without financial advice, it is possible to transfer the policies into a new plan with Prudential which does allow a form of drawdown without the need for advice. I think that would have been a more complete answer to the question he was posing.

However, Prudential say that its staff are there to provide information and not to provide advice and so options like this would not necessarily be explained.

I can understand Mr B's frustration in so far as he feels that he was not given the complete picture. But essentially Prudential is responsible for administering his pension plans and it does not have to provide advice. And also, I don't think that he has suffered any loss in a financial sense through any lack of information about that option. That's because he became aware of the Personal Choices Plan quite soon afterwards via Prudential's website and before he's made any decision about what he will do with the existing plans. Prudential has

also explained that the Personal Choices Plan does have some limitations on the investment options and so it may be that Mr B would choose to seek advice on its suitability for him anyway.

Prudential has confirmed that the funds were transferred from capital to accumulation units when they should have been. It's also confirmed that the charging arrangement for the funds is correct. I've no reason to doubt what it has said and if it did transpire in future that incorrect charges were being made, Mr B would still be free to take that up with Prudential and/or with this service.

Mr B says some of his calls were not returned. Prudential has records which suggest that some calls were made to Mr B which weren't answered and messages could not be left. Based on this evidence I'm not satisfied that there has been any significant failure by Prudential.

I request that Prudential provide the future quotes Mr B has requested based on the ages he has said as soon as possible.

### **my final decision**

I don't uphold this complaint as I consider Prudential's offer to be a fair one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 August 2017.

Keith Taylor  
**ombudsman**