

complaint

Mr K complained that The Prudential Assurance Company Limited (Prudential) didn't give him all of the options available when he set up his annuity.

background

In 2015 Mr K made a number of enquiries about his retirement annuity contract (RAC). His RAC had a guaranteed rate attached to part of it. Mr K was sent information and quotes. He was also sent a key facts document (KFD).

In July 2015 Mr K spoke to Prudential on several dates and also wrote to them. He went on to buy an annuity. Over this time Mr K also raised several complaints with Prudential.

The main complaint pursued at this service is that when Mr K spoke to Prudential on the phone in July 2015, they didn't tell him of all his annuity payment options. Mr K says that he was only told about two options. The first was to receive payments one year in arrears. The second was to receive payments one month in advance.

Mr K says he wasn't given details of three other options available to him at the time. These were to take payments one month, three months or six months in arrears.

Prudential agree that in this phone call on 15 July, all the options were not discussed. But they say that he had already been provided with information on all the payment options available.

Initially Mr K complained to Prudential because the figures given to him in this phone call on 15th July were different from quotes that had been sent out to him at his request. He also complained about administrative problems.

In Prudential's final response letter they explained why the figures he had been given in the 15 July phone call were different. Prudential said that in order to obtain the guarantee on his plan, he had to take the annuity annually in arrears. And the reason there was a difference in the figures he'd been sent as quotes was because he'd asked for them to be provided on a monthly in advance basis. Prudential say this was explained in the call.

Prudential accepted there had been some administrative problems and paid Mr K £225.

Mr K complained to this service about the amount of time he had experienced when waiting to speak to anyone at Prudential. And he went on to tell the adjudicator that he wasn't given his full options on his annuity by Prudential. Mr K made it clear he is happy with his annuity.

Mr K doesn't think the £225 paid to him was enough. He says there should be a further £200 payment for the confusion caused by the adviser on the phone in July 2015.

Mr K says that calculations show he is losing out £139.93 per year because of the annuity payment option he chose. Mr K wants to be compensated for this loss. He understands there is a potential benefit being paid in advance that might offset the difference in being paid in arrears.

The adjudicator didn't uphold Mr K's complaint.

Mr K asked for an ombudsman to look at his complaint. He added that:

- Any money previously paid by Prudential was for poor service such as the cost of lengthy phone calls.
- Prudential only told him about two payment options; monthly in advance or yearly in arrears.
- He wanted proof Prudential admit they didn't give all the options on the phone.
- The fact that he was misled now results in lower payments for life.
- He wants to be compensated for this loss.

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 understand this will disappoint Mr K, but I don't think Prudential should do anything more about his complaints. On everything I've seen Mr K was given enough information to know his payment options. And for him to be able to ask if he wanted any more information. I think Prudential followed Mr K's instructions when they set up his annuity and his payment option.

Because Prudential were Mr K's provider, they were not offering him any advice. And I've seen that their quotes and other documents highlighted their recommendations that a person seek advice. I haven't seen anything that makes me think Mr K saw a financial adviser before selecting his retirement and annuity payment options. Which some people find helpful.

I think Prudential did provide Mr K with the necessary information on the options he had available. I've seen the letter he wrote to Prudential on 16 July. This confirmed that he had read the KFD they had sent him. And it was as a result of reading the KFD that he had contacted Prudential on 15 July about potential ill-health adjustments to his annuity. So I think Mr K had read the KFD in some detail.

When Mr K called Prudential on 15 July, he wasn't asking about what payment options were available. He was asking about various figures that had been provided. And Prudential were giving him information about these, as well as discussing unrelated matters. I haven't needed to ask for more information on this phone call, as Prudential agreed in a letter to this service (which Mr K has seen) that they didn't discuss all the options in the call. And Mr K had already received the KFD before this call.

I've looked at the KFD, and I can see it sets out all the different payment options that were available to Mr K. And Mr K went on to ask for quotes on a particular basis. He didn't ask Prudential for any information about the payment options. The KFD makes it clear this is a decision for the person buying the annuity.

I understand that Mr K says the other booklet he received from Prudential didn't come until after he chose his annuity payment options. And Mr K says this was the document when he first saw the full five payment options. I've seen that Mr K initially told the adjudicator that he didn't know if he would have chosen a different option- but he thought he should have been told about all of them.

As I've said, I think he had been given this information in the KFD, which were at least as clear as in the booklet that followed. In any event, when Mr K received the booklet, the

cancellation period was still available. Mr K didn't use this and does not seem to have raised any questions with Prudential after he was sent the booklet about his payment options.

I've seen that Mr K had expressed to Prudential at the time there was some urgency to starting his annuity payments.

I think the payment Prudential have already made to Mr K for any administrative problems was fair and I don't think they should pay any more on this complaint.

my final decision

I don't uphold Mr K's complaint about The Prudential Assurance Company Limited.

Under our rules, I'm required to ask Mr K to accept or reject my decision before 11 April 2016.

Louise Wilson
ombudsman