## complaint

Mr M is complaining about The Prudential Assurance Company Limited because he thinks his endowment savings policy was mis-sold. He says he was told he needed to transfer his pension contributions into the policy and was expecting similar returns. He now thinks the policy wasn't suitable for his needs at the time.

## background

Mr M started making contributions into a Prudential personal pension in 1974. He met with Prudential representatives in 1978 and was told he could no longer contribute to his pension because he had joined an occupational pension scheme offered by his employer. At the same time, Mr M started paying into an endowment savings policy that matured in 2013.

Our investigator didn't recommend the complaint be upheld. He didn't think there was enough evidence to show Mr M was misled about how the endowment policy would work. And he felt it was a reasonable recommendation for him to save for the future given he couldn't pay into his personal pension any more.

Mr M disagrees and has made the following key points in support of his complaint:

- He wasn't given any option about transferring his monthly contributions from the pension to the endowment policy. He understood the policy would produce similar returns to the pension, but now understands it's not the same.
- He wasn't given the option to invest in anything else.
- The endowment wasn't a suitable product to meet his objective of enhancing his retirement income. In particular, it included life cover he didn't need.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the adjudicator's conclusions for much the same reasons. I'm not upholding it.

I've read all of Mr M's submissions carefully, but I haven't tried to answer all the points he's raised. Instead, my decision concentrates on the issues I think are central to the outcome.

The rules in place in 1978 meant Mr M couldn't contribute to a personal pension at the same time as he was contributing to an occupational pension scheme. The features of occupational pension schemes mean they're almost always a better option than a personal pension. So I'm satisfied Prudential's advisers were right to say Mr M should stop contributing to his Prudential pension and recommend he consider alternative methods of saving alongside his occupational scheme.

I've taken account of what Mr M says he was (and wasn't) told about the endowment policy. But on their own and without additional supporting evidence, I don't think his comments are enough for me to say he was misled about how it would work.

Mr M’s policy was sold before the introduction of the Financial Service Act in 1988. This means Prudential’s representatives weren’t subject to a regulatory requirement to give suitable advice or to document that advice. But they did have a common law duty to advise with reasonable skill and care.

There doesn’t seem to be any dispute that Mr M’s ultimate aim was to save for his retirement. The endowment wasn’t set up to generate a retirement income like a pension. It was instead designed to generate a lump sum, but that could be used to supplement a pension income. Given Mr M couldn’t contribute to his personal pension, which would have been the main means of generating an income available in Prudential’s product range, I think the endowment was a reasonable recommendation to meet his objectives.

This doesn’t mean to say there weren’t other options available. These could have included other types of investment designed to generate a lump sum or possibly paying more into his occupational pension scheme to enhance its benefits. But it should be remembered there were less savings options available in 1978 than there are today. At the time, I’m satisfied saving using an endowment would have generally been regarded as a reasonable approach.

Mr M has pointed out that the endowment included life cover he didn’t need and I don’t dispute that. But the inclusion of a small amount of life cover meant the policy met the qualifying tax rules so the final payout wouldn’t be subject to further tax. This was a potential benefit to Mr M. I’m also conscious the amount of life cover was minimal and I don’t think the cost of that is likely to have had a significant impact on the investment return.

I understand why Mr M is now questioning whether the advice he received was right for him. But I don’t think there’s enough evidence to show the policy was mis-sold and, based on the requirements and expectations when it was sold, I’m satisfied it was broadly consistent with his needs at the time. So I don’t think it’s relevant to make the further enquiries Mr M has suggested.

**my final decision**

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 20 April 2017.

Jim Biles
**ombudsman**