

complaint

Mr G complains that The Prudential Assurance Company Limited made a number of errors in transferring his pension to another provider.

background

Mr G had a pension with his former employer which was administered by Prudential. He left that employment and notified Prudential on 21 March 2017. It should then have transferred his pension to the new provider as a routine matter.

It asked him for the details of his date of leaving and his final pension contribution, which had been made in February. Prudential accepts it should have made it clear that it had received the January payment in February and it would wait until the February sum had been paid before making the transfer.

However, it failed to do so and there followed a series of errors. The February contribution was received on 17 March, but Prudential took longer to deal with the monies than it should. It then sent out the paperwork for leaving the scheme on 23 March, but that didn't include the February contribution.

The new provider's request for the transfer was received on 6 April. This should have been actioned within five working days, but it wasn't. After five days Prudential realised that it had received the February payment and it wrote to the old employer to ask whether the contribution should be invested to Mr G's plan or refunded back to it. The old employer told Prudential to invest the contributions, but it didn't do as requested. It refunded the contributions of £778.46 by cheque on 18 April.

Prudential made the pension transfer on 17 May, but this omitted the February contribution. It accepts that it failed to notice this mistake and only did so after Mr G made further enquiries.

It liaised with the new provider and identified that the effect of the errors which had delayed the correct sum being transferred Mr G was to increase the value of his new pension by £376.05. In response to Mr G's complaint it apologised for the errors and paid him £300 in compensation.

Mr G brought his complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. Mr G had said he wanted Prudential to compensate him for his time in dealing with its failings and for it to review its past pension transfers for other customers.

The investigator noted that Prudential had corrected its errors and Mr G hadn't lost out financially. She didn't think that Prudential should pay Mr G £1,702 which he had suggested, this being the sum he may have lost had he not alerted the business of its errors. She thought the compensation paid by Prudential was fair. Mr G didn't agree and listed the errors Prudential had made. He thought it had been unprofessional and he wondered if it made errors with other customers.

my findings

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

Firstly I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

The business made a mistake and it is clear that the initial error was compounded by further mistakes. Regrettably this can happen on occasions and it seems that Mr G has been unfortunate in that regard. Prudential has accepted it got this transfer wrong not only with the original errors, but the ensuing mistakes. It has acknowledged this and says it has provided feedback to the team concerned. It rectified the errors and ensured the correct sum was transferred to the new provider and it has also apologised.

It then contacted the new provider and worked with it to establish what the situation would have been had the transfer gone through correctly and on time. It told Mr G that it would cover any loss he might have made as a result of its mistakes. However, Prudential established that Mr G hadn't lost out financially in the transfer and in fact he had made a small gain.

The increase in value of Mr G's pension as a result of Prudential's delay was inadvertent and not something for which Prudential can take credit. It was simply an accident of changes in fund values during the delay in the transfer. Nonetheless he has had that benefit.

The aim of this service is to put people back in the position they would have been in had the mistakes not happened. In this case that isn't appropriate and I consider it fair and reasonable that Mr G retain this inadvertent benefit.

However, I consider that the issues Mr G faced were both distressing and inconvenient and for that he is entitled to compensation in addition to the inadvertent benefit in the increased fund value. Prudential has paid Mr G £300 and in the circumstances I consider that to be fair.

I appreciate Mr G's desire that Prudential review all its pension transfer, but this is outside my power. As I have set out above my role is not that of regulator. He has suggested that I inform the Financial Conduct Authority (FCA). This service is independent of the FCA, but we do liaise with it and we share information as and when it is appropriate. We also engage with businesses directly. However any such feedback isn't reflected in the decisions we make. I appreciate Mr G will be disappointed, but I don't consider I can uphold his complaint

my final decision

My final decision is that I do not uphold this complaint in that The Prudential Assurance Company Limited need do no more. It is my understanding that The Prudential Assurance Company Limited has paid compensation of £300, but if it has not yet done so it should, if Mr G accepts this decision. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 March 2019.

Ivor Graham
ombudsman