

complaint

Mr J complains that delays in transferring his pension by The Prudential Assurance Company Limited caused him a financial loss.

background

Mr J who resides overseas wished to transfer his sterling pension funds into a euro pension. He held pensions with several providers one of which was Prudential. The investigator has set out a detailed timeline of events which I won't repeat here, but in short he began the process in February 2016 and this wasn't completed until early October 2016.

There were two periods of delay for which Prudential accepts responsibility. The first occurred in sending Mr J a valuation and the second in making the transfer. While there is broad (but not total) agreement about the delay there isn't agreement over the financial impact on Mr J.

His view is that, but for delays by Prudential, he would have completed the transfer before the European Union referendum and so he would have obtained a significantly better exchange rate. Mr J intended to move all his funds in one go and so has said the delay by Prudential caused all his funds to be affected. His adviser has calculated the loss for all Mr J's pensions as €72,000, but Mr J suggested to Prudential that it pay him £20,000 compensation rather than the total loss.

Mr J first complained in early April when the business delayed sending him a valuation. It apologised and said it would make good any loss. He later complained about the second delay and Prudential didn't accept responsibility for his exchange loss, but offered compensation of £800 in total. It noted that had it made the transfer in good time it would have done so on 5 August rather than on 28 September. This doesn't take into account the earlier delay in letting Mr J have a valuation.

Mr J brought his complaint to this service where it was considered by one of our investigators who sought clarification of when the other funds were ready to be transferred. Mr J confirmed they weren't transferred before the referendum date, but reiterated that delays by Prudential had had a knock on effect.

The investigator set out the timeline of events and compared that with the timescales which would most likely have happened if Prudential had responded in a timely manner. He concluded that it was unlikely that the transfer of the pensions would have been made before the referendum and the drop in the value of the pound. He concluded that Prudential shouldn't be held responsible for the level of losses Mr J incurred.

Mr J didn't agree and pointed out that his adviser had called Prudential 10 times before it had sent the valuation. He also said he hadn't proceeded with investing the other funds as he had no reason to presume Prudential would further delay matters. He also restated that he wasn't seeking to recover his losses, but wanted compensation of £20,000.

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.

It is agreed by all that Prudential was responsible for delays in dealing with Mr J's requests. It has apologised and offered compensation of some £800. However, the nub of Mr J's complaint is that the delay was such that it meant the transfers weren't complete before the value of the pound dropped in late June 2016.

Having looked at what happened I find myself in agreement with the investigator that even if Prudential had responded timeously it is unlikely he would have met that deadline. I have seen nothing that Mr J was actively seeking to get things completed before the referendum, though I can see that he and his advisers were pushing Prudential to respond. He wanted to move all his funds in one go and I can see that at least one of the others wasn't ready to be moved by late June.

I note Mr J's argument that the delay by Prudential in providing a valuation meant he wasn't in a position to make decisions on the other funds. However I don't find that argument sufficiently persuasive. He knew what he wished to do with his funds and I don't think the Prudential valuation was such a key piece of information as to have prevented him from moving the other monies if he so desired. Overall I don't believe that Prudential should compensate him for exchange rate losses.

Prudential's actions were very poor and the errors which led to the delay were disappointing to say the least and I can see that it's repeated assertion that Mr J was seeking €72,000 must have been irritating. However, I consider the compensation offered is sufficient to address those delays and failings.

my final decision

My final decision is that I do not uphold this complaint and I leave to Mr J to decide if he wishes to accept the compensation offered by Prudential if he has not already done so. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 May 2018.

Ivor Graham
ombudsman