

complaint

Mrs G is unhappy about delays and the handling of her late husband's pension plan with The Prudential Assurance Company Limited (Prudential).

background

Mr G asked to take his benefits in January 2016. At the same time he made Prudential aware that he'd previously been made bankrupt. Prudential informed him that because of this it would need to contact the Official Receiver (OR) to see if it had a vested interest in his pension. Prudential said it would do that within 5 working days.

A couple of days later, Prudential asked Mr G to confirm his name as it was recorded differently on the system. This confused Mr G, as all his previous correspondence had his correct name. Prudential admitted it was an error on its part and, because of the error, it hadn't yet been in touch with the OR. It promised that, now the error has been resolved, it would contact the OR.

Mr G didn't hear back from Prudential, so he got in touch a week later. Prudential still hadn't contacted the OR, so Mr G made a formal complaint. Prudential upheld the complaint and offered £75 for the delay, which Mr G accepted.

Unhappy with the ongoing delay, Mr G brought his complaint to us. An adjudicator looked into the complaint and suggested that Prudential increase the offer for distress and inconvenience to £250 and also carry out a loss calculation to ensure Mr G didn't lose out financially.

Prudential didn't agree. It said it wasn't responsible for the ongoing delay – it was waiting for information from the OR. But it did agree to do a loss assessment. That would be done once all the relevant information was received and processed.

While the adjudicator was waiting for Prudential's next step, Mrs G asked us for an update. She told us that sadly her husband had died on 21 October 2016.

The adjudicator contacted Prudential. It confirmed it had received the relevant information. And the OR sent a form claiming the funds on 5 October 2016. The form was also signed by Mr G. Prudential sent the full amount to the OR and had written to Mr G on 7 October with the OR's contact details should he have any questions. But Prudential shouldn't have sent the full amount to the OR as it was only entitled to £4,422.44 out of £5,221.74.

Mrs G contacted us several times as she was unhappy that she hadn't received the funds from the pension yet. She explained that she'd been in contact with both Prudential and the OR for updates. The OR informed her of its process and that she would likely receive the remaining pension fund in around 6 months after its own charges were deducted.

The adjudicator then asked Prudential to carry out the loss calculation as all information was to hand. He also suggested it pay £150 for the distress and inconvenience. Prudential agreed to that.

And it did a loss assessment. But the delay had actually benefitted Mr G financially – the fund value on the date it should've been paid out was lower than the actual fund value that

was paid to the OR. And adding 8% interest for the loss of use on the money between the dates was less than the increase in fund value.

The adjudicator explained to Mrs G why the £150 for the initial delay was fair given the circumstances. Mrs G accepted it but still had other concerns which she brought up separately with Prudential. She believed that Mr G was mis-sold the pension, as he was never told about the impact that bankruptcy could have. She was also unhappy with the service when she took over Mr G's affairs.

Prudential didn't uphold the complaint for mis-selling as Mr G first made it aware that he was previously made bankrupt when he chose to take his benefits. But it did acknowledge its other errors and offered £300 for the phone calls Mrs G made and to cover the distress and inconvenience of having a cheque sent to her in Mr G's name. This was in addition to the £150 already offered.

Mrs G wasn't happy with the extra £300. In her view the stress of dealing with this just after her husband had died merited more compensation. She thought £1,000 to £1,500 would be more appropriate. She asked us to consider the later raised matters, which Prudential confirmed it was happy for us to do under the same complaint reference.

The adjudicator looked into Mrs G's further concerns. He thought that more compensation should be awarded. But he didn't think it should be as much as Mrs G had suggested. He explained that Prudential had followed the correct procedure in Mr G's case. And the main reason it was taking so long was due to the OR's processes.

He wrote to Prudential and suggested that it pay another £150 – to reflect the emotional distress Mrs G was going through at the time, and the cheque that was sent in Mr G's name, which could've been prevented.

Prudential didn't agree and asked for an ombudsman to review the case.

Mrs G spoke to one of our adjudicators on 30 June 2017. Mrs G explained why she didn't think Prudential had done enough to help her husband and her after he'd died. And why she didn't think what Prudential had offered was enough.

my findings

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

I'd like to express my sympathy to Mrs G. I can see she's had a very difficult time.

Prudential accepts that it didn't always handle things as well as it could have done. And that meant Mrs G suffered unnecessary distress and inconvenience during what was a very sad time for her.

Prudential paid £75 compensation to Mr G. And it's offered compensation to Mrs G. She doesn't think it's enough. I can understand why she feels that way. I've noted what she told our adjudicator over the telephone about why she thinks more compensation should be paid. I think all the points she makes are valid.

But what I have to consider is if what Prudential has offered is in line with what we'd award in a case such as this. And, although I've borne in mind all Mrs G has said, I think it is. So I'm not going to ask Prudential to pay any more.

I know Mrs G will be disappointed, especially as the adjudicator thought Prudential should perhaps pay more. But I think, looking at what happened overall and taking into account that the OR's involvement meant that matters weren't entirely under Prudential's control, what Prudential has offered is enough.

And I haven't upheld all of Mrs G's complaint. In particular I don't think the pension was mis-sold. But Prudential was at fault in other respects – including making an error about Mr G's name and after that had been resolved then not contacting the OR within the timeframe Prudential had indicated.

Mrs G's circumstances were very difficult. And I don't underestimate the distress and inconvenience she'd have suffered at the time. But I still think what Prudential has offered is reasonable and so I don't think it would be fair to ask Prudential to increase it.

my final decision

Prudential has offered to pay Mrs G, in total, £450. My conclusion is that offer is fair and reasonable in all the circumstances. Prudential should pay Mrs G £450.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 14 August 2017.

Lesley Stead
ombudsman