

complaint

Mr G says The Prudential Assurance Company Limited (“Prudential”) caused delays to the payment of his annuity.

background

This complaint is about the administration of Mr G’s annuity. Prudential’s given us copies of the correspondence between it, Mr G and his financial advisor. This includes letters and internal notes of phone calls.

Mr G completed a form in November 2016 notifying Prudential of his intention to take his benefits once he turned 75 years old.

In December 2016, Prudential wrote to Mr G asking him to make a decision about his pension and enclosing a number of forms – including a ‘self-certification’ form. Quotes were also sent to Mr G outlining his fund value.

Mr G sent Prudential a completed copy of the self-certification document and instructions for his plan in January 2017. Prudential initially said it needed further information to be able to process his instructions. And after Mr G complained about the delay, in February 2017 Prudential said it needed further paperwork to be completed. It also said it would review Mr G’s complaint about the delays after it’s worked out whether they’d caused any financial loss.

Mr G returned the completed forms in February 2017. And at this point, he complained that he hadn’t been kept up to date about his plan.

In March 2017, Mr G wrote to Prudential to explain he’d received a ‘change of address’ form but he hadn’t changed his address. He explained the address Prudential had sent it to was incorrect. And he’d only received the forms sent previously because the resident of the incorrect address had passed them on to him.

Around April 2017, the financial advisor got in touch with Prudential with a completed letter of authority so Prudential could recognise the financial advisor as Mr G’s representative. Prudential replied to say it couldn’t be accepted – as the address didn’t match its records. A few days later, Mr G got in touch again to say he would no longer be proceeding with an annuity with Prudential.

Prudential sent a self-certification form to Mr G to complete but these were sent to the wrong address. And in April 2017, Prudential asked Mr G to complete a form to proceed with the transfer. During a call in May 2017, the financial advisor questioned whether Mr G did need to complete the form again as it’d already been sent it. This call note says the call handler could see it had been received in January 2017. The financial advisor sent Prudential the completed form in May 2017.

Throughout the complaint, Prudential’s internal notes refer to it updating Mr G’s address details as they weren’t correct on its system.

Our investigator upheld the complaint as he thought the delay caused to the payment of Mr G's pension was due to Prudential not updating his address details. He thought this caused Mr G a great deal of stress – so he thought Prudential should pay him £250 in compensation.

Prudential disagreed with the adjudicator's opinion. Whilst it agreed it'd caused some delays, it thought other delays were caused by Mr G. And it didn't think Mr G had lost out financially as a result. It thought £100 compensation for these delays would've been fairer. So the complaint's been passed to me.

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've decided to uphold Mr G's complaint for broadly the same reasons the investigator's given.

Prudential said to Mr G that it doesn't think it can be held responsible for customers not keeping their address details up to date. And it thinks Mr G caused some of the delay he experienced because he changed his mind about his plan and he didn't give all of the necessary information.

But Mr G's said he hasn't changed his address in several years. And I can see Prudential sent some information to his correct address and some to an incorrect address. So I don't think the incorrect address records it used was down to Mr G not keeping his details up to date.

After Mr G got the financial advisor to represent him, Prudential said it couldn't accept its letter of authority because it said it showed the wrong address. And whilst the copy of the letter of authority Prudential's given us isn't very clear, having looked at it carefully, it seems to me the address shown on it matches the address Mr G said he lived at in March 2017. So I think Prudential caused further delays when it didn't accept it and needed to verify Mr G's address details with him again.

I can see Mr G sent Prudential information – including the self-certification form – in January 2017. And Prudential's notes show it had received this at that time. So whilst I can see some delay was caused when Prudential was waiting for these documents to be returned later, I think this was avoidable as he'd already done this. I also think these delays were lengthened by Prudential sending the forms to be completed to the wrong address.

I think Prudential caused unnecessary delays to the payment of Mr G's pension. Whilst I understand Mr G changed his mind about transferring his pension in May 2017, I think there were considerable delays caused before and after this point which weren't Mr G's fault. And I think this was avoidable as Prudential's internal notes show it knew the address on record was incorrect – and Mr G made that clear in his letter in March 2017.

Prudential's said the delay didn't cause Mr G financial loss and it's given us evidence from the provider showing this. Although Mr G wanted his annuity to start in December 2016, he got a better rate from June 2017 than was offered by Prudential. So overall, I don't think he's lost out. But I do think Prudential's caused him stress and inconvenience in having to chase information, reconfirm his address details and not know when he'd start receiving his pension. And I think this was over a long period of time.

So I don't think the offer Prudential's made of £100 is enough to compensate Mr G for what he's been through. And I think Prudential should pay him a total of £250 to compensate him for the trouble he's been through and the distress that's been caused to him. This is in addition to the £150 it's already paid Mr G for the delay in sending him the quotes for his fund value.

my final decision

For the reasons I've explained, I uphold Mr G's complaint.

The Prudential Assurance Company Limited should put things right by paying Mr G £250 as compensation for the delays he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 November 2017.

Nadya Chandra
ombudsman