

complaint

Mr B has complained because he is unhappy that he has received a tax demand from Her Majesty's Revenue & Customs (HMRC) as a result of The Prudential Assurance Company Limited ("Prudential") not sending HMRC the correct pension notifications for three of his annuities.

background

I sent my provisional decision on this complaint to Mr B and Prudential in January 2014.

The background and circumstances to it and the reasons for my provisional decision, which was to partly uphold the complaint, were set out in that decision. But in summary, I considered that it would not be fair and reasonable to require Prudential to repay the tax owing from the Prudential annuities. However, I was satisfied that the matter had caused a degree of distress and inconvenience to Mr B. Therefore, I said that I was minded to make an award of £300 to Mr B for the distress and inconvenience caused.

In summary, Mr B said that he was not happy with the decision as he was concerned about the repayment of the tax. Although his income was as stated, he had several bills to pay and that did not include living expenses. However, he said that he would accept the decision.

Prudential made no further submissions about the merits of the complaint, but said that it would agree to pay Mr B £300 in compensation.

my findings

I have re-considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I see no reason to depart from the findings outlined in my provisional decision.

The central issue of this complaint is that Mr B was sent a tax demand for the underpaid tax. He says that he cannot afford to pay this amount back and that as Prudential was responsible for the mistake, he should not be penalised for it.

I appreciate that this is not a good situation for Mr B and that the error was outside of his control. However, the tax demand represents the amount of tax that Mr B would have been liable to pay, therefore no financial loss has occurred as a result. However, I accept that the matter has caused him distress and inconvenience. And the reduction in his income whilst the tax is being repaid will also have an impact on Mr B.

So, in summary, I do not consider that it would be fair for Prudential to be required to repay the tax demand. However, to recognise that Prudential's error has and will cause Mr B distress and inconvenience, I consider that an award of £300 is appropriate.

my final decision

Accordingly, my final decision is that I uphold Mr B's complaint in part.

I order that The Prudential Assurance Company Limited pays Mr B a sum of £300 for the distress and inconvenience caused by the matter.

David Ashley
ombudsman