

complaint

Mrs G has complained that The Prudential Assurance Company Limited mis-sold her pension policy.

background

Mrs G tried to take out policies to start in December 1991 and May 1992. Prudential said the direct debits were unsuccessful and so the policies didn't start. Mrs G made another application in August 1992 and her policy started on 1 October 1992.

Mrs G said she'd always planned to retire when she reached 60 in February 2019. She said the delay in starting the policy might impact on the amount she'd receive if she retired on that date. She said the alternative would be to work until October 2019.

Prudential said it didn't now know why the direct debits had failed but accepted its service at that time didn't meet the standards it would expect. So, it paid Mrs G £100 to compensate. Mrs G didn't think that was enough and brought her complaint to us.

The investigator thought £100 was enough to put things right. But Mrs G didn't agree. She said she'd bought another policy at the same time that Prudential agreed had been mis-sold. She asked for an ombudsman's decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not going to uphold it.

Mrs G's policy was sold on an advised basis. That means Prudential had a responsibility to make sure the policy was suitable for her needs. Prudential accepted that Mrs G's plan had always been to retire at the age of 60. But it said the application form was clear that the policy had a 27 year term.

Prudential said it didn't have any evidence to show why the first two plans were unsuccessful other than the direct debits being returned. I don't think I've got enough evidence to persuade me that this was Prudential's fault. Prudential has paid Mrs G £100 compensation for its service at the time and I think that's enough in the circumstances.

I've looked at the application form Mrs G completed in August 1992 and that says the selected term is 27 years. Also the member's booklet says the "*retirement date must be in whole number of years from when you join the scheme*". While Prudential hasn't been able to provide a copy of the booklet from when Mrs G joined it's provided the copy from 1988 when the scheme started and also 1997 which shows the same wording. On balance, I think it was likely this wording was also included in the booklet Mrs G received. So while the policy doesn't end on her 60 birthday, it does end in the year she's 60 and I think that's clear from the application.

Prudential said Mrs G can take her pension from her 60 birthday if she wants to. It's also said there wouldn't be any market value adjustment applied in the last year of the policy. So, if Mrs G chose to take it from her birthday, I don't think she'd lose anything other than the value of the ten months' contributions she hadn't paid in.

While I accept the delay meant Mrs G paid in ten months less than she would have liked, she could have topped up her policy at any time. I've seen samples of the statements Prudential sent to Mrs G and those show the policy matures in October 2019. So, even if she wasn't clear from the application process, I think it would have been reasonable for Mrs G to have seen the maturity date on her statements.

I understand my decision will come as a disappointment to Mrs G but I don't think Prudential mis-sold her policy and I don't think it needs to do anything else to put things right.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 11 May 2017.

Sarann Taylor
ombudsman