

complaint

Mrs W complains The Prudential Assurance Company Limited (“Prudential”) made a series of administrative errors, which led to problems and delays in transferring her pension to another provider, and as a result, she suffered a financial loss.

Background

Mrs W authorised a transfer of her personal pension from Prudential to another provider (OMW) in April 2017. When OMW contacted them regarding the transfer they incorrectly told them the transfer forms hadn't been received and sent a new set out to Mrs W for completion.

The transfer forms had actually been received on 19 April 2017 and OMW were duly notified of the transfer value, £91,344.37, on 27 April 2017, which was transferred on 04 May 2017 in accordance with Mrs W's instructions.

The second set of forms sent in error to Mrs W showed a transfer value of £93,325.4.

Prudential says as it quoted a higher transfer value on the forms sent in error it contacted OMW to request a unit price valuation had the higher value been transferred originally. OMW calculated a shortfall of £727.71.

Prudential wrote to Mrs W to confirm they had paid the shortfall calculated by OMW, apologised for their administrative error, and made a compensatory award of £300 for the trouble and upset caused.

Mrs W says this isn't accurate and they should have paid the difference between the two Prudential valuations around £1981.

Our investigator looked into things for Mrs W and found Prudential had acted fairly and reasonably as the second valuation was a misrepresentation based on an administrative error. In paying a further £727.71 into the OMW pension fund and a further £300 by way of an apology, she thought this was more than proportionate and didn't ask them to do anything further.

Mrs W disagreed she says the calculation used by Prudential is flawed in that they used OMW unit prices rather than their own valuations and she feels their compensation doesn't go far enough as a result and so she asked for this review.

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've reached the same conclusion as the investigator and I'll explain why.

The crux of the issue is that Mrs W feels she has lost the difference between the first transfer value and the second, which is around £1981 so I can see why she would be unhappy with a compensatory amount of less than this amount.

The second value was a misrepresentation, that is to say, it was not a transfer value due to Mrs W, as she had already instructed Prudential to transfer her pension at an earlier date. Unfortunately, the business issued the second set of transfer forms in error having been unaware the original transfer requests were being processed when the fund value was £91,344.37 this was sent to OMW on 27 April 2017 and transferred on 04 May 2017.

In recognition that there had been an error which had raised Mrs W's expectations Prudential contacted OMW and asked them to calculate the difference in unit price had the higher value been transferred at the point of investment and advise them of any difference in Mrs W's favour. OMW calculated a loss of £727.71 and informed Prudential accordingly.

Prudential wrote to Mrs W, honoured the loss, credited Mrs W's OMW pension fund with £727.71, and made a compensatory award of £300 by way of an apology for the poor customer service Mrs W had received.

My role is to determine when a business has made a mistake whether the steps taken to redress that error are fair and reasonable and, where possible, put the consumer back in the position they would have been in had the error not occurred. My role is not to fine or punish a business for a mistake as this is outside my remit.

Overall, I'm satisfied Prudential took all the necessary steps to honour a misrepresentation to Mrs W. In taking the action they sought to put Mrs W back in the position she would have been in had the higher value been transferred.

The compensatory award of £300 for any inconvenience I find to be on the generous side of fair and reasonable and so I won't be asking the Prudential to do anything further.

my final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 23 April 2018.

Wendy Steele
ombudsman