

## **complaint**

In 1987 Mr M requested that his financial adviser at The Prudential Assurance Company Limited increase his pension contributions to his personal pension plan which was set up in 1984. However, the adviser set up a new pension policy instead. Mr M said his adviser told him that this wouldn't make a difference, but Mr M has since suspected that almost all of the extra contributions were taken as commission and that this wouldn't have been the case if contributions were added to the original pension policy instead.

He also says that when he later requested that the Prudential transfer his pension to his company pension scheme, it sent the funds to the wrong company. Then when the money was returned to it, Prudential set up another policy to hold the funds.

## **background**

In 1984 Mr M set up a personal pension plan with Prudential paying £20 per month gross. This plan had a guaranteed basic annuity based on the premium payment date and the intended retirement date, as well as other factors. The set retirement date was July 2018. His last payment to this policy was in 1988.

In 1987 Mr M requested that his adviser increase his pension contributions. The Prudential adviser set up a new policy to accommodate Mr M's request, also for £20 gross per month but with an additional premium of £8.50 per month to provide £50,000 of life cover. Mr M only paid into this plan for six months with contributions ending in 1988 - the same as the first policy.

In 1988 Mr M had joined his new employer's pension scheme - Colston Computers PLC (Plan 88). It was at this point that Mr M stopped contributions into both personal pensions with Prudential.

In 1993 there is evidence of a request to transfer Mr M's Occupational Pension Scheme with Colston Computers PLC (Plan 88) to Prudential. However this did not complete. Mr M says that there was actually a request to transfer his Prudential pension to his occupational scheme – but Prudential did not carry this out correctly.

One of our adjudicators investigated the complaint and was of the opinion it should not be upheld.

Mr M did not agree with the adjudicator's view of his complaint and said:

- He was totally mis-sold the second policy.
- He didn't ask for life insurance.
- That having to wait for the anniversary of the first policy to make contributions into it wasn't explained to him at the time.
- That the third policy was created after Prudential's failure to pay the money into his company scheme.

Therefore the complaint has been passed to me for 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.

The first Prudential pension plan that Mr M took out started in July 1984. The application for the second plan was made in September 1987. As Prudential has said that increases to the first policy could only be made on a policy anniversary, Mr M would have had to wait until July 1988 to pay further money into that pension. Mr M says he was simply under the impression that the adviser had done what he wanted – increased the pension contribution to his existing plan. He says he was not told another plan had been set up.

It is difficult, over 30 years from the time the second policy was taken out, to know what was discussed and on what basis the decisions were made. But even if Mr M had not been told he was setting up a new pension, he would have been faced with the choice of waiting almost a year to increase contributions to his first policy or setting up another policy. It is not clear to me that, faced that with choice, he would have waited, especially considering that it would not have been known at the time that his contribution would cease only six months after he started the second policy. Given that the expectation would be that this would be a long term policy, there would be no particular reason not to start it. So I do not uphold this point of complaint.

With respect to the life cover taken out at the same time, Mr M signed the application for it and the application contained medical and lifestyle information. I think it unlikely that could have been completed without Mr M's knowledge. So I am persuaded that it was, more likely, agreed to take out the life cover at the time.

### ***third plan/transfer***

Mr M suggests that this was a transfer from Prudential to his company pension scheme which did not complete. He says he asked Prudential to transfer his fund(s) to Plan 88. Plan 88 was eventually transferred to another insurance company.

However the evidence suggests that what happened was that a request was made to transfer the benefits of Plan 88 to the Prudential. This was then cancelled during the transfer process and the money instead sent to Temple Court. There is a letter from the Prudential to Temple Court dated December 1993. This says a cheque is enclosed for about £5,800 which is payable to Standard Life. It is said this is the transfer value of Mr M's Colston Computers pension plan. The letter says:

*"Please note that (Mr M's) request to transfer his benefits into the Prudential Personal Pension Scheme (PPPS) had not been completed, and therefore the enclosed cheque represents a refund and not a transfer from the PPPS."*

There is a note on the Prudential's records from December 1993 which says:

*"Member has changed his mind before completing pension transfer. Has decided to transfer to Standard Life via IFA"*

This does suggest that the transfer was *from* the company scheme to Prudential but this was then aborted before the transfer completed and the money was sent to another insurance company.

The Prudential has confirmed that no third policy was set up because the transfer never completed.

I have not seen any evidence of a request to Prudential to transfer out Mr M's Prudential pension benefits to an employer's scheme or evidence that Prudential did not carry this out. So I do not uphold this point of complaint.

**my final decision**

I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 March 2019.

David Bird  
**ombudsman**