

complaint

Mr Z's complaint is that he was pressured into choosing his annuity by The Prudential Assurance Company Limited (referred to from now on as Prudential) and consequently is unhappy with the amount that he is receiving. Mr Z has stated that he now wishes he had got financial advice and he wants to cancel his annuity.

background

Mr Z contacted The Prudential Assurance Company Limited ("Prudential") in August 2013 with the intention of drawing from his pension benefits at the age of 55, and Prudential arranged for annuity quotations to be sent with the different options available.

Mr Z contacted Prudential again on 10 September 2013 and on 13 September 2013 to discuss the different types of annuities available. It was during this latter conversation that Mr Z confirmed that he wanted to proceed without obtaining independent financial advice. Mr Z completed and returned the paperwork to Prudential and his pension started in October 2013.

Mr Z complained to Prudential in April 2014 stating that he felt pressured into taking out this annuity as a result of being given lots of information during the telephone calls. Mr Z also stated that he was unhappy with the amount of income he was receiving from his pension and that he believed that with recent legislation changes it was possible for him to cancel his annuity.

Prudential rejected this complaint and stated that it had explained how annuities work and the importance of such a decision as well as suggesting that Mr Z speak to a financial adviser.

Mr Z referred his complaint to this service in September 2014.

In January 2015 having listened to recordings of the calls between Mr Z and Prudential an adjudicator rejected Mr Z's complaint because:

- It was clear that Mr Z was unclear as to what option would be most suitable for his needs despite Mr Z stating that he had an idea as to what he wanted to proceed with.
- Prudential suggested on more than one occasion that Mr Z obtain financial advice.
- At one point Mr Z said that he would obtain financial advice as he was confused however decided to proceed without doing so.
- At numerous points during these telephone calls it was explained to Mr Z that this was an important decision as it would provide him with an income for the rest of his life and could not be changed once set up, therefore his understanding of the options available was also important.
- It was explained to Mr Z that choosing a joint life annuity with a 10 year guarantee period would reduce his annual income amount.
- The information was recapped at the end of the telephone conversation and Mr Z confirmed that he was happy with the explanations and confident with the decision that he had made.
- Once an annuity was set up it could not be changed and this was explained during the telephone calls with Prudential and so the recent legislations changes would not apply to Mr Z.

In February 2015 Mr Z contacted the adjudicator and said that he did not agree with the assessment for the following reasons:

- At the time he was recently married and based his decision on that as he needed the money.
- He did not get advice because he didn't want to delay things although he now wished he had got advice.
- He is dyslexic and is not good with figures.

Mr Z asked for the matter to be reviewed by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Throughout the process of choosing his annuity Prudential reminded Mr Z of how important it was that he make an informed decision based on all the options available so that he made the right decision based on what best suited his needs. Mr Z was told that this was not only important as it would provide an income for the rest of his life, but also because once an annuity is set up it cannot be changed.

Further, it was suggested on more than one occasion that Mr Z seek independent financial advice. In fact Prudential offered to look on a website (www.unbiased.co.uk) for local financial advisers because Mr Z said that he was having computer issues – but Mr Z did not accept this offer. Indeed I note that at one point Mr Z informed Prudential that he would seek financial advice, but it seems that later he decided against this.

Mr Z then chose to proceed without seeking independent financial advice and, having looked at the evidence available, I do not agree that Mr Z was pressured into purchasing this annuity.

Mr Z had recently been married and has argued that took the decisions that he did because he needed the money. Mr Z's motives for selecting his annuity are his own and it would not be fair or reasonable to hold Prudential responsible for this, especially in light of the fact that it highlighted the importance of this decision. To reiterate the above points, Mr Z was warned on more than one occasion that once this annuity had been set up it could not be changed and so it was important that this decision was not rushed.

Turning now to Mr Z's submission that he is dyslexic. I have considered the evidence in light of this and unfortunately my decision remains the same. Whilst Mr Z does indeed state that he is not good with numbers within these telephone calls, at no stage did Mr Z inform Prudential that he was dyslexic. In addition, I do not believe that this would have changed the circumstances in this case as Mr Z was clearly opposed to seeking independent financial advice even with the knowledge of his dyslexia.

my final decision

I do not uphold Mr Z's complaint against The Prudential Assurance Company Limited and I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Z to accept or reject my decision before 26 May 2015.

Adrian Hudson
Ombudsman