

complaint

Mr D complains about delays and errors caused by The Prudential Assurance Company Limited when he was trying to draw benefits from his pension. Mr D was attempting to draw benefits in January 2017 but it took until March for this to happen. Mr D spent time trying to rectify matters which he would like to be fairly compensated for. He also believes that he has suffered a financial loss from the delay in taking his pension benefits.

background

I issued a provisional decision on 19 December 2017. A copy of that decision is attached and forms part of this final decision.

In the provisional decision I said I was intending to uphold the complaint in part. In addition to the £300 that The Prudential had offered, I said that it should pay a sum equivalent to one months annuity payment. This was on the understanding that a delay had meant that Mr D has missed one annuity payment.

However The Prudential subsequently confirmed that the payment I thought Mr D had missed (the 1 March payment) had been paid – but paid late. It had paid interest on that late payment. So I did not believe The Prudential had to make up the payment (Mr D had received it) and we informed Mr D of this. I also considered that even if the delay had not occurred, the first payment date would have been 1 March. Mr D was also informed of this.

I have not received any further submissions.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My decision remains as set out in the provisional decision apart from, as discussed, The Prudential does *not* have to pay a sum equivalent to one month's annuity payment.

I remain of the view that the £300 offered by The Prudential is fair for the inconvenience Mr D has been caused.

my final decision

Given that The Prudential is offering £300 for the inconvenience caused, I make no further award and do not uphold the complaint.

If he has not already accepted the £300 payment, Mr D should consider whether he wishes to do so. He can contact The Prudential to accept that sum if he wishes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 April 2018.

David Bird
ombudsman

copy provisional decision

complaint

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background

The Prudential did uphold Mr D's complaint and, in total, offered £300 for the inconvenience caused. Mr D did not believe this was sufficient and brought his complaint to this service. He thought this sum should be higher and he should also be compensated for the difference between the pension value he obtained in February and that which would have been applied in March 2017.

The complaint was considered by one of our investigators. The investigator thought that the offer of £300 was reasonable but also thought Mr D should be compensated for the difference in value between the February and March 2017 quotes.

The Prudential did not agree and said that the March figure would never have been available to Mr D and that was not, in any event, the quoted value he agreed to.

The complaint has therefore been passed to me for review.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, although I do appreciate Mr D's feelings about the service he has received, I should confirm that my role is not to fine or punish businesses for their actions. My role is to investigate individual complaints and if I believe some incorrect or unsuitable action has been taken by that business, decide if the consumer had been disadvantaged in some way. If they have been financially disadvantaged my aim is to reasonably make good that loss. I do not award 'compensation' over and above that, although I can make awards for inconvenience or upset the matter has caused.

I say this because Mr D has suggested that The Prudential should be dis-incentivised from giving poor service or penalised in some way for that. I would reiterate that my role is not to make awards that have the aim of punishing businesses for their actions; the Financial Ombudsman Service is not the industry regulator, that is the Financial Conduct Authority (FCA).

Although I would expect that businesses like The Prudential would take account of the complaints they receive and the findings issued by this service, my role is not to enter into general reviews of its practices or order that it change its operations. Again, those would be matters falling within the remit of the FCA.

Bearing that in mind I have considered what happened when Mr D decided to take benefits.

There is record of him contacting The Prudential for a retirement quote on 17 January 2017. However he had not received a quote by 8 February and so contacted The Prudential again. He contacted it again on 13 February because he had still not received the quote. I should say at this point that I have seen no explanation why it took almost a month to issue the retirement quote.

It was on 13 February that The Prudential says it issued the quote and applicable forms. It is not clear why Mr D did not get this quote. The Prudential says it was issued and it has a record of a copy of the correctly addressed quote. I cannot therefore arrive at a finding that more likely The Prudential did not issue the quote at this time - and therefore cannot hold it responsible for the approximate 10 day delay that followed this.

After chasing The Prudential again a new quote was issued on 23 February, which Mr D did receive. Mr D then sent the relevant information and forms to The Prudential on 27 February. The Prudential then proceeded to set up the annuities for pension payments to begin. Unfortunately The Prudential could not do this by the 1 March payment date and so the first payment was made at the end of March.

Annuities will take some time to set up, that cannot normally take place in a matter of days. So, bearing in mind that, as discussed, I do not find The Prudential at fault for the delay between 13 February and 23 February, the time taken to set the annuities up after it received Mr D's completed forms does seem to me unreasonable. It looks more pronounced because of the missed 1 March payment date – but it is normal for annuity payments to be made on a certain day of the month – so it seems to me that the payment was merely made at the next available point.

Having said that, I have not seen any reason why the delay between 17 January and 13 February occurred. And I agree this delay and Mr D needing to chase The Prudential would have inconvenienced him. And although it is not clear from the records I have seen what return calls The Prudential was supposed to give Mr D, I have no reason to believe that the calls he should have received were not always made.

However I agree with the investigator that, for these matters, £300 is a reasonable sum for the inconvenience caused and in line with the kind of awards I would make considering the delay and inconvenience.

I should say that awards for the inconvenience caused by poor service are not determined by the size of the investment or pension sums involved – although that could become one of the factors if, say, the value was such that worry about, say, its loss, was more pronounced. But it is not a case that merely because the figure is bigger that the payment should be bigger.

In terms of the loss of pension value that Mr D says has been caused, I am not intending to make any award and I will explain why. When Mr D received The Prudential quote of 23 February, the figures were based on the pension value as applied then. Mr D then sent back the relevant forms and information so his annuities could be set up, which was received within the 30 day guarantee period for that quote. Mr D accepted that quote, not any other. So then The Prudential set up the annuities based on acceptance of that quote.

Mr D then asked for an updated quote of 12 March – which had to be produced manually. The value was higher. But Mr D was not entitled to that figure because he had already accepted the earlier quote. Essentially by 12 March his annuities had been 'fixed' and he had taken benefits. The fact that the first payment was not made until the end of March does not mean that he was entitled to the 12 March figures – as the annuities had already been set using the 23 February figures. In fact if The Prudential had taken less time to set up the annuities then payments would have started significantly before 12 March.

So I do not believe Mr D is entitled to the approximately £400 difference in values.

Having said that, it seems to me that if the delay of approximately a month between January and February, which was caused by Prudential, had not occurred, then Mr D's payments would have begun a month earlier. So he is due another payment from his annuities which was missed through the delay caused by the Prudential.

my provisional decision

I currently believe £300 is reasonable for the delay and inconvenience Mr D has been caused.

However I also currently believe Mr D should receive, as redress, a sum equivalent to the monthly payment from his pensions. This should be provided to him as a lump sum. Interest at 8% simple should be added to these sums from the date they should have been made (which would seem to be either the end of February or 1 March) until the date redress is paid. Tax may need to be paid on these sums.

David Bird
ombudsman