

## **complaint**

Miss P has complained to The Prudential Assurance Company Limited about the sale of her Teachers' Additional Voluntary Contributions (TAVC) pension plan. She says that if she'd been given better information, she would've purchased added years in the Teachers' Pension Scheme (TPS) instead of setting up the TAVC plan.

## **background**

Miss P took out a TAVC plan in 1996, following a meeting with a representative from Prudential. The paperwork completed at the time of the sale confirms that Miss P was 36 years old and was earning £28,000 a year. Miss P had been a member of the TPS since 1986.

The TAVC policy was set up with a starting contribution of 9% of Miss P's salary per year. She stopped paying into her TAVC in December 2006 and decided to buy added years within the TPS instead.

Miss P complained to Prudential in 2017 about the sale of the TAVC plan. Prudential reviewed matters but it didn't think it had done anything wrong. In summary it said:

- its representatives were only required to provide information about the added years option and it wasn't allowed to provide advice on added years
- the literature that Miss P would've received when she joined the main TPS would've made her aware of the option to buy added years
- Miss P signed the TAVC plan application form which included a statement confirming that she'd been made aware of the added years option

Unhappy with this response, Miss P referred her complaint to our service. One of our investigators considered her complaint but didn't uphold it. He didn't think Prudential had done anything wrong. He noted Miss P signed the TAVC application form acknowledging she'd been made aware of the added years option. Further, Prudential weren't able to advise Miss P on the suitability of added years.

Miss P disagreed, saying the representatives didn't show her the key differences in benefits between the money purchase AVC and the added years scheme. So this has come to me for a 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 upholding the complaint. I'll explain why.

I think it's very likely that when Miss P joined the TPS she was provided with a scheme booklet. This booklet explained the various options she had for paying extra contributions to increase her pension provision – including the option of buying added years. So I think Miss P was most likely provided with information about the added years option before she even met with Prudential. But in case Miss P didn't receive a booklet when she joined the TPS, I've also thought about what she was told during the sales meeting with Prudential in 1996.

The Prudential sales representative was only authorised to provide advice on Prudential products; they couldn't have advised Miss P on the added years option. All the representative had to do was make Miss P aware that added years were an alternative option and refer her to the TPS booklet for further information.

I can't know exactly what was discussed during the meeting and acknowledge that Miss P doesn't feel she was given enough information about the added years option. However, the sale took place over 20 years ago so I think it's unlikely that Miss P would be able to recall the exact discussions that took place back in 1996. As such, I've based my decision on the paperwork from the time of the sale.

Prudential has provided the TAVC application form, which is signed and dated by Miss P. The application makes several references to the added years option. Further, Miss P signed to confirm she had "*been made aware of the booklet entitled 'A Guide to the Teachers' Pension Scheme' with regard to the added years option*". This statement is immediately above where Miss P signed. I don't think it's unreasonable to conclude that by signing the declaration, Miss P was agreeing that the information on the form was correct, that she'd been made aware of the booklet and added years option.

Having considered the available evidence, I'm satisfied Prudential took sufficient steps to make Miss P aware that added years were an alternative option when she took the TAVC plan out.

I understand Miss P's arguments that she would have been better off buying added years in 1996, as she then went on to do in 2006. But I think Prudential did all that it was required to do to make Miss P aware that added years were an option. It was up to Miss P to decide if added years were an option that she wished to explore further.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 6 August 2018.

Vicki Blackwood  
**ombudsman**