

## **complaint**

Mr C complains that he was given incorrect information regarding the value of his pension by The Prudential Assurance Company Limited.

## **background**

Mr C wished to access his pension fund, but because of the sum involved he was required to take advice. He was in the process of selling his house to repay a large interest only mortgage which had to be repaid by 2018. He had an initial meeting with an adviser in February 2017 and a follow up one in March. The fact find records that Mr C wanted to access all the funds, even though he would pay tax at 40%, as he wished to put this towards a new house and keep any borrowing to a minimum.

At the second meeting the adviser completed the application form for the return of funds and Mr C duly signed it. A few days before Prudential had sent a letter showing the value was some £5,400 less than the initial figure given to him at the first meeting, but the adviser didn't refer to the reduction in value. The advice cost Mr C £420.

Mr C complained and Prudential apologised and offered him £500 for the error. It also offered him £250 for the delays in dealing with his complaint. Prudential explained that the fund included a mixture of guaranteed and non guaranteed funds and the value of the latter had dropped after the first valuation had been provided.

Mr C brought his complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He agreed the adviser had made a mistake in not pointing out the change in valuation. However, he noted Mr C had received written notification of the reduced value and if he had chosen not to proceed he would still have had to pay for the advice. Mr C didn't agree and said he was seeking compensation for the poor service.

## **my findings**

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

I can appreciate the disappointment Mr C must have felt when he discovered the payment was less than he was expecting. However, I don't believe Prudential needs to pay him more in compensation. I'll explain why.

I note that Mr C's partner told the investigator that he may not have proceeded with the withdrawal and may have only taken half the money. However, I note that the fact find shows they had their house up for sale as they had a deadline to repay the interest only mortgage by 2018. It seems that Mr C was sufficiently keen to access the money that he was prepared to pay 40% tax on 75% of the lump sum.

The adviser explained other means of accessing the pension which would have been more tax efficient, but Mr C wanted the lump sum to help him buy a new house. Therefore it seems likely to me that Mr C would have withdrawn his pension even if the reduction in value had been brought to his attention. Incidentally, the effect of the tax deduction means that the reduction in the lump sum paid to him after tax compared to the original valuation is noticeably less than £5,400.

The original valuation pointed out it was only a guide and it could change. Some of the funds were placed in investments that were subject to fluctuations and regrettably a month or so after the initial valuation these reduced in value. Mr C was notified of this in writing, but I can see that in the absence of this being brought to his attention he presumed the original valuation stood. Nonetheless whether the adviser mentioned the reduction or not this would have had no effect on the sum paid out.

Mr C was legally obliged to take advice before accessing his pension and I cannot hold Prudential to be at fault for ensuring he did so.

In conclusion while it was regrettable the change in valuation wasn't mentioned by the adviser I don't think Mr C has lost out as a result of that. I consider the compensation offered by Prudential to be fair.

### **my final decision**

My final decision is that I do not uphold this complaint and I leave it to Mr C to decide if he wishes to accept the compensation offered by Prudential. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 June 2018.

Ivor Graham  
**ombudsman**