

complaint

The representatives of the estate of the late Mr W have complained that, due to a series of delays caused by the Prudential Assurance Company Limited in providing information about a pension plan, the opportunity was missed to transfer his pension before his death. As a result, the amount payable from the plan was lower than it would have been.

background

The adjudicator was initially of the view that the complaint should be upheld. He agreed that the delays had contributed to the failure to transfer the plan. But having reviewed the situation, he concluded that although Prudential had caused delays, it wasn't ultimately responsible for the loss claimed by the estate. In summary, the adjudicator said there was still over six weeks between the date that the information was provided and Mr W's death in which the transfer process could have been started. But this didn't happen.

The representative for the estate disagreed, however. It said the following:

- Even when the information was provided, Prudential had omitted the discharge form which had originally been requested in March. This wasn't ultimately received until two weeks after Prudential sent the pack at the end of July.
- The discharge form was needed as Prudential wouldn't release the funds or allow the death claim of the return of fund value, rather than the return of contribution which is what happened, to be paid to the estate. It confirmed this after Mr W's death when the amount it had sent Mrs W was disputed.
- The 'return of premiums' death benefit amount wasn't confirmed in the pack at the end of July as requested by the representative. This figure would have been required before giving advice to transfer.
- Due to this being an older plan, it wouldn't have been appropriate to estimate the number of contributions which had been made or the dates these had been applied. This information would have been needed before advice could be given.
- Under the Financial Conduct Authority (FCA) rules, the representative would have to clearly demonstrate with numbers and written confirmation from Prudential as to how much the return of premiums would be and compare that to the current plan value. Only then could it be determined whether it would be in Mr W's best interests to transfer the plan.
- As this was an 'old plan', this figure would need to be calculated by a separate department – this would likely be a manual calculation.
- Prudential only provided this information after Mr W's death and after the complaint was made.
- Before the discharge form could have been sent, the representative would have had to carry out the appropriate final checks to ensure that the transfer was suitable for Mr W. The application would then need to be signed, sent and processed by the new provider. This would have been between four to six weeks as a minimum.

- The representative was bound by the rules of the FCA and couldn't transfer or provide a full recommendation without all the information and paperwork.
- It's not normal practice to complete an application form for a pension switch (from one provider to another) without all the relevant information being given by the existing scheme. Some research can be done before, but an application form wouldn't be completed before the discharge form is received.

As agreement's not been reached on the matter, it's been referred 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.

Having done so, I acknowledge and appreciate the sense of frustration which will have been caused by the delays incurred. But in order to uphold the complaint, I must be persuaded that there is a direct causal link between those delays and the claimed loss. I'd also need to be satisfied that any such loss would have been reasonably foreseeable by Prudential.

So in my consideration of these issues, I'd first say that it's not disputed by either party that there were delays in Prudential providing the requested information. But I do think it's noteworthy that, even once the information (minus the discharge form) had been received, there was little sense of urgency in beginning the assessment and transfer process by the recipients. Prudential has no record of any outstanding information being requested between then and Mr W's date of death. I've noted there were various reasons as to why matters didn't progress. But in order to conclude that Prudential's delays alone have caused any financial loss, it would in my view need to be clear that the information was acted upon immediately by the recipients.

Or to put it another way, aside from the expected response times which I agree were missed here, if a sense of urgency was expected of Prudential, it would be a reasonable expectation in my view for the representatives of Mr W to be adhering to this same standard. If it was clear that matters needed to be dealt with quickly, I'd question as to why this wasn't reflected in the representative's actions in August 2014. For example, the information supplied at the end of July 2014 included details of the death benefit which would be payable before the policy benefits were vested. If the advice and transfer process had begun immediately and the representative had just missed the completion of the transfer because of a very clear timeline which had been unnecessarily extended by Prudential's delays, then the complaint might have more prospect of success.

But even if this was the case, I'd then need to consider whether Prudential was aware of Mr W's very poor health such that it would have been reasonably foreseeable that a failure to act within a certain timeframe would have resulted in the type of financial loss claimed here. Having reviewed the file, I'm not of the view that this was the case. The lack of urgency in processing the information when actually received would also suggest that Mr W's representatives weren't aware that time was quite so of the essence.

And so, whilst it's acknowledged that delays occurred, I don't think it can reasonably be argued that Prudential should be held responsible for the loss incurred as a result of the transfer not happening. But I do think that compensation is warranted here in respect of the

delays in providing the requested information. And it will have been, at the very least, inconveniencing and time consuming to chase information which hadn't yet been received.

I note that Prudential has agreed to a payment of £500 in respect of the delays incurred. More recently it's also agreed to pay £250 in respect of the inconvenience and distress these may have caused. In the circumstances of the case, I consider this to be a reasonable overall payment.

my final decision

My final decision is that I uphold the complaint. In resolution of the matter, the Prudential Assurance Company Limited should pay to the estate of the late Mr W the sum of £750. I leave it to the representatives of the estate to decide whether to accept this.

Under the rules of the Financial Ombudsman Service, I'm required to ask the representatives of the estate to accept or reject my decision before 18 January 2016.

Philip Miller
ombudsman