

complaint

Mr S complains that The Prudential Assurance Company Limited delayed the payment of his pension.

background

A brief summary of the circumstances leading to this complaint, and my initial conclusions, were set out in my provisional decision, a copy of which is attached and forms part of this final decision.

In short, Mr S had a pension with Prudential. After reaching his selected retirement age, Mr S requested that his pension fund be transferred to his bank account as a lump sum. But he complained to Prudential, on two occasions, after experiencing delays and frustration with the process. The problem stemmed from confusion between the parties about exactly what documents Mr S had to provide to verify his identity. Mr S first contacted Prudential about his pension in December 2016 but the funds weren't paid until August 2017.

Prudential didn't uphold Mr S's original complaint in March 2017. But it accepted it could have done better in response to Mr S's follow-up complaint in July 2017. It paid Mr S £200 compensation. Mr S doesn't think Prudential has done enough to compensate him for all the delays he experienced. Prudential thinks it has, so Mr S referred his complaint to us.

In my provisional decision I set out why I thought Mr S's complaint shouldn't be upheld. I invited both parties to tell me of anything else they wanted me to consider before I finalised my views. Mr S had nothing further to add. Prudential agreed with my provisional findings.

my findings

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

Mr S's complaint is that it took too long for him to cash in his pension, and the service he received whilst trying to do so was poor. In my provisional decision I paid particular attention to the timetable of events. And I concluded that Prudential shouldn't be held responsible for all the delays Mr S experienced. I also concluded that Prudential's communications and overall customer service could have been better. But I didn't think its service was such that Mr S experienced significant distress or inconvenience as a result. So I thought the £200 compensation Prudential has already paid to Mr S was fair and reasonable.

Having considered everything again, I'm satisfied with the conclusions I reached in my provisional decision. I've also taken into consideration the fact that neither party provided me with any new arguments or evidence in response to my provisional decision. With all this in mind, I won't be upholding Mr S's complaint.

my final decision

For the reasons given above, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 November 2018.

Christian Wood
ombudsman

COPY OF PROVISIONAL DECISION

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Our investigator upheld Mr S's complaint. He thought Prudential had caused unnecessary delays. He recommended Prudential compensate Mr S for the time he didn't have (but should have had) his funds. Mr S agreed with this. But because Prudential disagreed, the matter has come to me for a decision.

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.

My provision decision is to not uphold Mr S's complaint.

Mr S called Prudential on 27 February 2017 to complain about the service he'd been receiving from Prudential in relation to his transfer. I can see from Prudential's customer contact notes for the period in the run-up to this call that Prudential was working on the transfer in the background. It also wrote to Mr S in this period to say it needed to speak to him over the phone. And there were occasions when it tried to call Mr S but couldn't get through. Therefore, whilst it's possible Prudential's service could have been better in this period, the evidence isn't sufficiently strong for me to say it should pay compensation for these earlier problems. However, the call between the parties on 27 February 2017 (when Mr S called to complain) could have been better, which I cover below.

Prudential needed the following from Mr S to pay his pension: a Return of Funds form; a bank statement, bank account number and sort code for the bank account receiving pension funds; one proof of identity document from a set list ('group A') and one proof of identity document from a different list ('group B'). Group A required a copy of the policyholder's passport or driving licence and group B required a current utility bill or other evidence showing the policyholder's current address such as a bank statement or council tax bill.

During the 27 February call, towards the end, Mr S summarises his understanding of what he needed to do as follows:

"I need to send you a copy of my passport, copy of my driver's licence and my bank account details, anything else apart from those three things I need?"

In response, the call handler says a 'Return of Funds' form must be completed and returned. She says Mr S should supply a telephone number and email address (possibly because of the problems the parties had experienced when trying to contact one another). And there's a discussion about

charges for paying money to an overseas account (which Mr S wanted to do). But the call handler doesn't mention any other requirements. So I think it's fair to say Mr S left the call thinking he had to complete and return the Return of Funds form, and send in a copy of his passport, driving licence and bank account details to allow payment.

Unfortunately, a copy of a passport and driving licence wouldn't have fulfilled Prudential's requirements because they were both from the 'group A' list of requirements rather than being from both lists. And bank details (without a bank statement) wouldn't have been sufficient either. So I don't think Prudential's requirements were properly explained.

I have some sympathy with the call handler. The call was long, a lot of standard regulatory information had to be provided, and the line wasn't particularly clear either. And much of what Mr S had to do was mentioned at various points. But I still think Mr S would have left the call with only partial, and slightly contradictory, knowledge of what was required.

The information Prudential sent to Mr S after the call (in letters dated 6 March and 11 March) would have rectified much of this because it included the Return of Funds form and the identification requirements of 'group A' and 'group B'. It's not clear to me that Mr S was told he needed to send in a bank statement in this correspondence, although it was mentioned early in the 27 February telephone call. So I think following the call, and the follow-up correspondence, Mr S would have known, albeit in a slightly piecemeal and confusing way, everything he needed to send in.

However, Prudential didn't receive any forms or documents from Mr S until 19 April, nearly eight weeks later. So whilst Prudential could have been clearer in outlining what it needed, I don't think it would be fair to hold it responsible for the transfer not progressing in this period. And once it had received something from Mr S, Prudential acted quickly. There's a record on file showing Prudential tried to call Mr S the next day (20 April), although contact was only made on 25 and 26 April because of further problems Prudential had in getting hold of Mr S on the telephone. And by 4 May Prudential had checked the documents that Mr S had sent in against its requirements and had written back with a clear clarification of what it needed from Mr S:

"Thank you for calling us on 26 April 2017...Please arrange to send us valid bank statement, sort code and account number where you wish us to transfer benefits...We require two pieces of additional identification, confirming your name and address, before payment can be made... For this we require one item from group A and one item from group B, for you as specified in the table below."

This is the main difference between my decision and the conclusion reached by our investigator. Our investigator thought that Prudential was responsible for the eight week delay between the 27 February call and the 4 May letter because Prudential had given unclear instructions to Mr S over the phone which were only corrected on 4 May. But my view is that the letters Prudential sent shortly after the phone call (on 6 and 11 March) should have clarified nearly everything for Mr S. And it's clear that Mr S knew he had to send *something* in. And yet despite this, Mr S doesn't appear to have sent anything in until 19 April. In the circumstances, I think it would be unfair to say Prudential caused the delays here – especially as it responded quickly when Mr S did send something in.

Even after the 4 May letter, there were then further delays with the transfer. And, like our investigator, I don't hold Prudential responsible for these because it again provided Mr S with the information he needed to progress things.

Following the 4 May letter, Mr S emailed Prudential on 5 May asking whether his money had been deposited. Prudential responded in a letter dated 11 May requesting once again further documents from Mr S:

"Thank you for your telephone call of 26 April and email dated 5 May 2017...In order for us to proceed with your repayment of fund value we will need you to send us a valid bank statement showing the sort code and account number of the account you wish us to transfer benefits to...Please also provide

some identification that shows your name and current home address...For this we require an item from group B, as specified in the table below.

In other words, Prudential was reminding Mr S what it still needed. And on 13 June Prudential sent another letter, which opens as follows:

"We refer to our previous letter of 11 May 2017 and note we have not received a reply. In order for us to proceed with your repayment of fund value we will need you to send us a valid bank statement showing the sort code and account number of the account you wish us to transfer benefits to."

Prudential then goes on to say Mr S can *alternatively* send in something from the group B list of documents. This doesn't seem to be the correct advice because sending something from group B without the bank details wouldn't have been sufficient. So I think Prudential gave slightly misleading information here. But Mr S sent in proof of his bank account and address shortly afterwards (between 21 June and 27 June – it's not clear when the information was received by Prudential). Whilst these documents weren't quite right for Prudential's purposes, this doesn't appear to have been because of the instructions given in the 13 June letter. And Prudential clarified for Mr S what it required in an email on 6 July:

"We have reviewed all of the information we have from you and still need an item from the Group B ID shown below. We also need a paper copy bank statement for the account you wish payment to be made to and this should be dated within the last 6 months."

Mr S sent in further documents on 18 July. But it looks like it was only on 21 July that he sent in a bank statement to Prudential. And Prudential didn't receive everything until 2 August (possibly because the documents were sent by recorded delivery from overseas). So it was only at this point that Prudential was in a position to do its checks and process the transfer. The funds were paid on 7 August. This doesn't seem an unreasonably long time to execute the transfer. So whilst I'm sure Mr S found it frustrating to wait an extra few days given the amount of time he'd been waiting previously, I don't think Prudential has done anything wrong in this respect.

Finally, I've taken into account the fact that Mr S was told on two occasions – incorrectly – that his payment was imminent. The first time was during the call on 26 April. But given Prudential's letters dated 4 May and 11 May both reference this telephone call, and are clear in asking for further documentation, there shouldn't have been any doubt on Mr S's part that whatever he'd been told on 26 April had been superseded. So I don't think Prudential delayed things unnecessarily here. Similarly, it looks like Prudential told Mr S during a phone call on 30 June that his payment should be processed by 7 July. Again, this wasn't the right information. But, as before, Prudential rectified its mistake quickly when it emailed Mr S on 6 July to clarify what it needed.

Clearly, being told that a payment was imminent when it wasn't would have been frustrating for Mr S. I've taken this into consideration when deciding on the appropriate level of compensation he should be paid. But on the broader issue of whether these lapses caused Mr S unnecessary delays, I'm satisfied they did not.

In conclusion, I don't think it would be fair to hold Prudential responsible for the delays Mr S experienced. I accept its communications and overall customer service could have been better. But I don't think its service was such that Mr S experienced significant distress or inconvenience as a result. In the circumstances, I'm satisfied the £200 Prudential has already paid is a fair and reasonable amount of compensation.

It follows that I don't intend to uphold this complaint.

my provisional decision

My provisional decision is to not uphold Mr S's complaint because I consider the £200 compensation paid by Prudential to be sufficient.