

complaint

Mr S has complained that The Prudential Assurance Company Limited was late in paying his tax free cash and first income payment. He believes this breaches the agreement he had with Prudential.

I'm only considering the actions of The Prudential Assurance Company Limited. I appreciate Mr S has concerns about his previous pension provider, Prudential Corporate Pensions (PCP) which is also part of the Prudential group of companies. But it's a separate entity and I'm satisfied that each entity can only be held responsible for its own actions.

background

Mr S held a pension with PCP. In order to access his fund in the way he wished, he decided to transfer his corporate pension plan to a drawdown plan. Mr S initially made contact with Prudential in early October 2018 when he spoke to one of its financial advisers and completed a fact find. The adviser recommended Mr S transfer his PCP fund to a Prudential Retirement Account. However, there was difficulty sending the transfer forms to PCP due to problems in the PCP plan number being located. By the time this was found, the original financial adviser was going on annual leave. So in order not to delay the matters further, Mr S was appointed a new financial adviser within Prudential and the fact find was redone.

An application for a Prudential Retirement Account was submitted and the transfer forms were submitted to PCP in early November 2018. On 2 November an application summary and illustration was sent to Mr S to confirm the details of his application and income withdrawal. This confirmed that the payment date for Mr S's income payment as 16 November 2018.

Mr S spoke with his Prudential adviser on 9 November 2018 and queried this. The adviser explained that the payment date was an estimate and had been entered as Mr S required access to his money ASAP. So this was the earliest possible date the payment could be made.

Mr S was unhappy with this as there was nothing in the paperwork to explain this. As such he considered Prudential had breached its contractual obligation to make the payment on 16 November 2018. He was also unhappy because he'd been waiting since September 2018 to access his fund.

Prudential reviewed Mr S's complaint and agreed that the paperwork could have been clearer that the payment date was an estimate. It offered Mr S £75 in recognition of the trouble and upset caused. However, it didn't agree that it had breached its terms and conditions by not making the payment by 16 November 2018. Prudential explained that the funds were received from PCP on 16 November and were invested on 20 November 2018. The tax free cash and income payment were processed the next day. This is in line with its terms and conditions which state that the payment will be made as soon as possible.

Mr S didn't accept what Prudential had said. So he referred the matter to our service for an independent review.

One of our investigators reviewed the complaint and having considered all the circumstances, she concluded the offer already put forward by Prudential was fair.

Mr S didn't agree with the investigator's opinion. In summary he said that:

- A contract is an expression of the utmost good faith between parties and from regulatory perspective, dealings between parties are expected to be transparent. And consumers are to be treated fairly.
- Prudential had an opportunity to highlight matters that its customer should be aware of in the 'key fact' document. And provision of an "unguaranteed" contract date is key/fundamental to the delivery of that contract and should be explicitly highlighted rather than "buried" in a large T&C document.
- The fact that Prudential acknowledged that its documentation is "misleading" and that it will rewrite it suggests this is accurate.
- Breaching an explicitly stated contractual term is exceptionally serious and if a court of law was to consider this, they would judge it more harshly than the investigator has.
- The processing timescales are completely excessive for what should be routine transactional activities. The fact that Prudential takes so long to process such requests suggests it has fundamental issues with its internal processing approach and efficiency.

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 am bound to determine complaints by reference to what I consider is fair and reasonable in all the circumstances, taking into account amongst other things the law, regulations and good industry practice. This service has no powers to fine or punish firms and we do not make awards for punitive damages.

It's not in dispute that the payment didn't arrive by the date specified in the illustration. But I'm conscious that Mr S was initially advised in October that the payment could take 7 weeks to arrive and he was willing to proceed on this basis. It was only after Mr S received the illustration setting out the payment date of 16 November that he complained. At this point it was explained that this was the earliest possible date the payment could be made and was entered as Mr S had requested the payment as soon as possible. Prudential accepts that its paperwork needs updating to reflect the position accurately. And it's offered Mr S £75 for the inconvenience caused. So I don't intend to comment on the content of the paperwork. What's left for me to decide is whether Prudential has done enough to put the matter right.

Having thought carefully about matters, I'm not going to ask Prudential to do any more than it's already offered to do. It clarified the position almost a week before the 16 November and I've not been provided with anything to show that Mr S suffered a loss as a result of the payment not being made on 16 November. In addition, Mr S didn't agree to go ahead with the Retirement Account and income withdrawals on the basis that the money would be with him by this date. I appreciate that he believes the overall time taken to receive the payments was too long. But I've not seen anything to suggest that Prudential unnecessarily delayed making the payments after it received the funds from PCP.

As I've mentioned above, I'm only considering the actions of Prudential here. Any concerns Mr S has about PCP are separate and aren't Prudential's responsibility. Having looked at the time line of what happened, it seems that the initial delays were caused because the original PCP plan number couldn't be located and there was an issue with a payment having not

been added to Mr S's PCP plan. This is not something that Prudential can be held responsible for. Once the plan number was located, I can see that Prudential took action to process the application in a timely manner.

I appreciate that Mr S feels strongly about this matter but I'm not upholding his complaint. It's not clear if Prudential has already paid Mr S the £75 for the inconvenience caused. If not, I leave it to Mr S to decide if he wishes to accept this offer.

my final decision

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 June 2019.

Lorna Goulding
ombudsman