

The complaint

Ms D complains that The Prudential Assurance Company Limited (Prudential) delayed in dealing with her request to withdraw her pension fund as a lump sum. She's also unhappy that Prudential didn't get back to her as promised to discuss her complaint. As mentioned below there were some other issues too.

What happened

I'm not going to refer to everything, just the key events and exchanges. Ms D wanted to take benefits from her pension policy with Prudential in early 2023. She called Prudential on 20 January 2023 to say that mail had been sent to her old address even though she'd notified Prudential the previous year of her new address. Prudential apologised and raised a complaint (and potential data breach) on Ms D's behalf.

Prudential wrote to Ms D on 26 January 2023 confirming, amongst other things, that she could withdraw all the money in her pension plan as a tax free payment.

Prudential sent a final response letter to Ms D on 31 January 2023. Prudential referred to unexpected issues having arisen when migrating operating systems to new and improved versions which had impacted on how customer enquiries were handled. Prudential apologised for sending correspondence to Ms D's old address in error. To ensure she hadn't been financially disadvantaged, her case would be reviewed and, if she proceeded with a claim, Prudential would calculate any financial loss caused by the delay. In recognition of the poor service and the distress and inconvenience caused, a cheque for £200 would be sent.

Ms D called Prudential on 7 February 2023. She said she didn't consider just sending a cheque for compensation closed the matter. She called again on 15 March 2023. She reiterated that she didn't consider her complaint had been resolved and she wanted to speak to someone. I think she also requested a breakdown of the Annual Management Charge (AMC).

There's a letter dated 24 March 2023 from Prudential in response to Ms D's telephone call. Prudential apologised for the delay and explained about the charges for the with-profits fund.

Prudential sent a letter to Ms D on 11 April 2023. Prudential apologised for the delay in replying and said all the information Ms D needed to take her pension fund as a cash lump sum was enclosed. The letter said any tax due would be deducted from the payment. A form and a prepaid envelope were enclosed.

Prudential wrote again on 21 April 2023. This time the letter referred to Ms D taking her pension as a tax free cash sum. Again a form for completion and return with a prepaid envelope was enclosed.

Ms D called again on 10 May 2023 and said she hadn't been contacted about her complaint.

She signed and returned the forms on 11 May 2023, as evidenced by the proof of posting she's provided.

She called Prudential on 16 May 2023 but that call was disconnected.

She called again on 18 May 2023 for an update and was told another letter had been sent that day with a further form for completion, signature and return. I note that letter incorrectly addressed Ms D as Mr D. She told Prudential she wasn't in the UK. Prudential said it might be possible to email the form so that Ms D could print it off, sign it and return it by post which Ms D confirmed she'd be able to do. She also raised the matter of her complaint. And she said she'd called and had been cut off and no one had tried to call her back.

Ms D signed and returned the forms on 31 May 2023. Again she's provided a post office certificate of posting.

On 2 June 2023 Prudential wrote to Ms D confirming that a payment of £14,645.15 had been sent to Ms D's bank account.

On 28 June 2023 Prudential issued a final response letter. Prudential apologised that they'd failed to deliver the level of service Ms D should be able to expect. And for the delay in responding. Prudential said they'd be sending a payment of £125 for the distress and inconvenience Ms D had experienced as a result of Prudential's poor service. And, as payment had been delayed, £554.40 would be paid for lost growth (based on interest at 8% pa) would be made. So a total of £679.40 would be paid into Ms D's bank account.

On 6 July 2023 Ms D referred her complaint to this service. At the time she hadn't seen Prudential's final response letter of 28 June 2023. It had been sent to her by secure message and, despite calls to Prudential, she'd been unable to open it. Ms D only found out what it said when Prudential called her on 7 July 2023 and read out the letter to her

Ms D emailed Prudential on 10 July 2023. She referred to the secure message and said no apology had been given for sending her a message she couldn't open. She'd made several calls trying to get the message opened. The number she'd been given to ring wasn't for use outside the UK. She'd incurred telephone charges. Her initial complaint was that the wrong address had been used. She'd been sent a cheque for £200 which she hadn't cashed. She asked for that to be paid into her bank account.

Ms D said she'd started the process to claim her pension in January 2023. She'd been told it would normally take up to two months. She was in the UK but after that she had pre planned trips abroad. Dealing with her claim was delayed and she'd had to make two return trips from France to England to sign and return the necessary forms. She'd had to chase progress and if she hadn't done further delays would've resulted.

Ms D said £125 wasn't sufficient compensation for the worry, distress and financial discomfort she'd suffered. Her credit card receipts showed petrol costs totalling almost £500 plus toll costs of nearly £100 and she estimated other costs had been incurred, including meals while travelling, of between £250 – £280 for the four (two return) trips. It was only on 7 July 2023 when Prudential had got back to her in response to the call she'd made on 4 July 2023 and which was outside the 48 hours call back window promised and the letter was read to her. Ms D forwarded to Prudential evidence of her ferry crossings.

Ms D's complaint was considered by one of our investigators. She thought what Prudential had offered was fair. She noted that Ms D wanted Prudential to cover the cost of trips back to the UK. Although the investigator agreed the trips were likely necessary so Ms D could sign the forms after Prudential's delay, Ms D had been unable to evidence the costs incurred. In those circumstances the investigator said it wouldn't be fair to ask Prudential to cover the expenses, although she'd reconsider if Ms D could provide evidence.

Ms D didn't agree with the investigator's findings and asked for an ombudsman to consider her complaint. Amongst other things, Ms D said our investigation had been one sided and had focused on her financial circumstances rather than on Prudential's negligence. The investigator had referred to computer errors as explaining repeated administrative errors on Prudential's part over several months. The investigator hadn't researched Prudential's practices and hadn't sought up to date information about the progress of Ms D's claim.

What I've decided – and why

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

I'm sorry that Ms D considers that our investigation into Prudential's failings has been inadequate. But where, as here, a business accepts that it didn't handle things as it should've done and has offered compensation, we'll generally focus on whether what's been offered is fair and reasonable and in line with what we would've awarded. It won't usually be a good use of our resources to try to identify precisely why, when and how things went wrong, especially if there have been a number of administrative errors and when sometimes it may be difficult to identify after the event exactly why things had gone wrong.

It's also the case that we don't have any power to require businesses to make changes to their processes, practices or systems. Those sorts of matters are commercial or operational decisions for the business concerned. Although we'd expect a business to take note of and act on any areas of poor service which are brought to light by complaints.

Our aim in awarding compensation is to put the consumer, as far as possible, in the position they'd be in if things had gone as they should've done. We can tell a business to pay compensation for any financial loss and/or to make a payment for any distress and inconvenience and in recognition of the impact what went wrong had on the consumer.

Ms D didn't suffer any financial loss as such as what she was entitled to was paid to her – a payment of £14,645.15 was made to her on 2 June 2023. But, if Prudential had handled things better, that payment would've been made earlier. So Ms D was kept out of her money. In those circumstances we'd ask the business to pay interest for the period the consumer should've had the money but didn't. We'll usually say 8% pa simple interest should be paid.

Prudential has used that rate to calculate the interest payment of £554.40. That works out at about 172 days interest. Ms D has said she started the process to claim her pension in January 2023. After Ms D had contacted Prudential in January 2023 about mail having been sent to her old address, it wasn't until 11 April 2023 when Prudential wrote to Ms D that things started to get moving. Ms D's benefits were then paid on 2 June 2023 which was within the six to eight week window she was expecting. If the central period of delay was from January to mid April, then that's about 101 days. So paying interest for 172 days, which is getting on for six months, is fair and reasonable and allows for some further slippage.

We can consider any expenses incurred. Ms D has said she had to visit the UK twice to get things sorted out. But she's only been able to provide limited evidence of the costs incurred. We've seen some evidence of the ferry bookings – I note there's reference to a Mr D but that may have been a mistake. But although Ms D has referred to costs incurred on her credit card (petrol, tolls etc) we haven't seen her statements. As the investigator has explained we'd need to see evidence of any expenses incurred if we are going to ask Prudential to meet them. The investigator said she'd reconsider things if further information was provided but that hasn't been forthcoming.

Further we could only fairly ask Prudential to cover any expenses if we were satisfied things couldn't have been sorted out otherwise and without incurring such costs – that it was absolutely necessary for Ms D to return twice to the UK. I know she had planned trips abroad and so she wasn't in the UK when Prudential belatedly issued documentation she needed to sign. But I'm not entirely sure why it wasn't possible for the documents to be emailed to Ms D, printed off for signature and then posted back to Prudential. I've seen that was mentioned during one of Ms D's calls with Prudential.

Assuming that wasn't possible, I can understand that Ms D may have felt the easiest way of dealing with things was to come back to the UK. But there may have been other arrangements she could've made and given that, when she left the UK, she'd have been aware that payment of her benefits hadn't been sorted out. For example, it may have been possible for her to have arranged for someone to have access to her property while she was away so that post could be collected and forwarded. But, in any event and as I've said, before we could consider a claim for expenses we'd need clear evidence in support which we don't have.

Ms D is unhappy that the investigator looked into matters such as how Ms D was able to meet her living costs while she was waiting to get her money. But although I can understand that Ms D might regard that as intrusive, I think the investigator was just trying to establish the extent of the impact of the delay in payment on Ms D and if she'd incurred debts or other liabilities. Ms D says while she was waiting for the money from Prudential she relied on support from family and friends and she doesn't have evidence of the amounts involved. She's also termed what she received as donations so it would seem she won't be expected to repay her friends and family. In those circumstances, an award wouldn't be fair and reasonable.

Prudential has paid, in total, £325 compensation for distress and inconvenience. Ms D considers that's inadequate. As I've said, we consider each case individually and taking into account the impact on the consumer. Where a consumer has been caused financial hardship that might merit a higher award. That seems to be Ms D's position, bearing in mind what she's said about having to rely on friends and family. But again we'd need to see evidence, such as copies of her bank statements and details of any other income and if she had savings or other funds she could access in the meantime. Without that sort of information I'm unable to make an award for distress and inconvenience on the basis that Prudential's delays caused Ms D financial hardship.

Ms D has raised several issues. Including sending mail to her old address, delay in dealing with her claim, failing to return her calls to discuss her complaint, difficulties in contacting Prudential from outside the UK on the telephone number given and sending a secure message she was unable to access, despite making several calls to try to get it released. But, in my view, it's all part and parcel of the same matter – how Prudential handled Ms D's claim for payment of her benefits. In that sort of situation we'll generally look at what's happened in the round, rather than treating each complaint point separately.

Overall I think the amount offered, in total £325, is fair and reasonable and within the range we'd award. We give some examples of the awards we've made for distress and inconvenience on our website. We say an award of over £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset and worry and/or significant inconvenience and disruption that needs a lot of extra effort to sort out and where the impact lasts over many weeks or months. I think that's broadly the situation here.

The delay in paying her claim would've caused Ms D considerable distress and inconvenience and other issues, such as Prudential's failure to get back to her, would've been frustrating. Ms D also had to spend time getting the matter sorted out and being out of

the country made that harder too. Although the amount offered is at the lower end of the range, I think it's fair and reasonable.

I think Ms D has already received the interest payment of £554.40 and the payment of £125. I'm unsure if she's actually been paid the £200 which Prudential initially sent by cheque. She didn't cash the cheque and she told Prudential that and asked for the payment to be made into her bank account. I'm not sure if that happened. If it did then Prudential won't need to pay any more. But if the payment hasn't been made, Prudential will need to pay it. The same applies if Ms D hasn't actually had the other payments (£554.40 and £125).

My final decision

The Prudential Assurance Company Limited has already made offers to pay interest of £554.40 plus compensation for distress and inconvenience totalling £325. I think that's fair in all the circumstances.

So my decision is that The Prudential Assurance Company Limited should pay those sums.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 2 April 2024.

Lesley Stead
Ombudsman