

## **The complaint**

Mr S complains about the poor customer service he's experienced with The Prudential Assurance Company Limited (Prudential).

## **What happened**

Our investigator looked into matters and set out the background to the complaint alongside their findings. I've included an amended copy of this below along with the subsequent responses from Mr S:

The investigator agreed that Prudential hadn't provided the level of service we would normally expect. They agreed that there were occasions where Prudential had taken a long time to respond to Mr S' questions, failing to fully answer the questions when they responded, and also provided incorrect information about the charges applied to Mr S' account. When they did send information on the annual management charges, this was in the form of a 93-page letter sent by post, which was entirely impractical.

The investigator said Prudential didn't disagree with Mr S – they upheld the complaints and offered compensation. They also provided updated correct information about the charges on Mr S' account. In response to Mr S' complaint points, Prudential have apologised and paid him a total of £950 compensation to date.

The investigator explained that the Ombudsman Service publishes information on our website about the different levels of compensation we might award in different scenarios. And that they had taken this guidance into account when considering whether Prudential's offer is fair. And having done so, they felt that the £950 already offered is more than what they'd have recommended in the circumstances.

In relation to whether Prudential delayed Mr S accessing his funds, the investigator said Mr S had first contacted them on 18 November 2022 to enquire about whether they offer the uncrystallised funds pension lump sum ('UFPLS') option, and they responded on 21 November 2022. Then, from around February 2023, Mr S asked further questions about different options. And there was evidence that in August 2023 Mr S was still considering his options and although he wished to make a withdrawal, he had not yet decided which pensions to withdraw from or how to proceed.

The investigator explained that when a business has done something wrong, the Ombudsman Service looks to put the consumer into the position they would have been in, had it not been for the business' wrongdoing. And in this case, they understood Mr S had a general intention to withdraw from his pensions, but it is not the case that he instructed Prudential to withdraw, and they have failed to follow this instruction. And in any event, Mr S has now chosen to switch his pension to a different provider.

The investigator concluded, although they agreed the level of service Prudential provided falls below what we would expect, they didn't think further compensation was due.

In response Mr S said:

- The key point left in dispute is the fact Prudential did not supply him with the correct form to take UFPLS and in not doing so he missed the opportunity to utilise his personal tax allowance for the year.
- Due to the change of plans he feels that Prudential's poor customer service has caused, he has now incurred costs as he is forced to seek financial adviser to transfer.
- Mr S says the delays forced him to change his financial plans for 2023 because otherwise he'd have had to borrow to continue with his original plans which he didn't want to do.
- Even after the investigator had asked for Prudential for the correct form – he still didn't receive it. And as a result he's never been in the position to instruct Prudential to withdraw the funds.
- He was forced to transfer to be able to withdraw his funds.
- Mr S told us he'd had to significantly reduce his expenditure in 2023 to basic levels to preserve his available funds. He missed out on his plans to carry out maintenance on a property. And these will no doubt cost more in the future. He also said he had to use short-term cash and investments that could've remained invested. Mr S said its difficult to quantify the financial impact but he was certainly placed in a difficult position by Prudential where his hands were tied. The payments he'd received so far for the distress caused certainly were welcome but he wasn't sure whether they'd address the true personal financial impact to him.

Our investigator responded to say that they now fully understood Mr S' position however their view had not changed. They explained that if they were to accept that Mr S could have completed the form to take UFPLS before the end of the tax year but was unable due to delays caused by Prudential, we would ask Prudential to repay the additional tax. But this didn't happen because Mr S chose to change his plans. So there is no actual loss to compensate for. Mr S had made reference to having to curtail plans to carry out maintenance of a property and it would now cost more to do so. But the investigator said we didn't have any evidence to corroborate this or work out a loss. And in any event whilst it was clear Mr S had to mitigate his circumstances due to the upheaval to his plans, Prudential had compensated him for this and the investigator felt the compensation already paid was fair and reasonable in the circumstances.

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.

And having done so I agree with the conclusions reached by our investigator and for broadly the same reasons.

Mr S has set out his position clearly and in a lot of detail and having considered his submissions I understand his frustration at the lack of progress Prudential made with dealing with his request to access his funds through UFPLS. And the poor customer service he received and conflicting messages from different members of staff at Prudential. But as the investigator explained, I think the £950 he's received from Prudential, when considering our guidelines for awards for trouble and upset, adequately compensates him for this.

I can also understand why Mr S eventually chose to abandon his plans to take UFPLS and instead chose to transfer away from Prudential. But in considering whether Prudential should

pay him more compensation, given I think it has adequately compensated him for the trouble and upset caused, I've got to consider whether he has suffered a financial loss. And I think its telling that Mr S hasn't been able to pinpoint his losses. There are too many variables involved to say whether Mr S will suffer a negative financial impact due to the delay in taking his money from Prudential. I appreciate he wished to make use of his personal tax allowance each year, but by not doing so that money will remain invested and may be utilised in a more beneficial way at a later point. I appreciate Mr S also chose to delay maintenance tasks and these could end up costing more, but this is impossible to quantify at this point. And furthermore the large rise in costs of this type of work had already occurred by 2023. UK construction materials for example have fallen slightly since then.

I've thought about this carefully but I don't think there is any quantifiable losses that I can reasonably say Prudential should meet. Mr S plans were certainly disrupted and potentially in the future he may end up paying more for something due to the delay or paying more in tax on withdrawal of funds but its also possible he may receive a financial benefit for taking the route that he has done.

Looking at what Prudential has done to put things right, I think the £950 already paid adequately compensates Mr S for the disruption to his plans and poor customer service he has received. And whilst I appreciate why he chose to transfer rather than going ahead with his UFPL this was his decision and I can't reasonably say Prudential should do anything to compensate him for any costs incurred in transferring either.

In conclusion, Mr S received very poor customer service and suffered delays due to Prudential's inefficiencies and lack of clear communication with Mr S. And whilst I cannot consider its complaint handling here in terms of any compensation award - as it's not a regulated activity covered by this service – I agree that the content of its responses to Mr S's complaint points were unsatisfactory. However, for the reasons explained I don't think any further award is required here.

### **My final decision**

The Prudential Assurance Company Limited doesn't have to do anything further to put things right for Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 June 2024.

Simon Hollingshead  
**Ombudsman**