

Ombudsman's Determination

Applicant	Mr G
Scheme	Teachers' Additional Voluntary Contributions Scheme (the TAVC Scheme)
Respondent	Prudential

Outcome

1. I do not uphold Mr G's complaint and no further action is required by Prudential.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr G complains that Prudential misled him in 1993, when it told him that he was not eligible to purchase Past Added Years (**PAY**).

Background information, including submissions from the parties

4. Mr G was a member of the Teachers' Pension Scheme (the **Scheme**).
5. In 1993, Mr G joined the TAVC Scheme run by Prudential. In February 1994, he increased his contributions. The 1993 application form to join the TAVC Scheme (the **1993 Application**) is not available, but Prudential says that it would be similar to the 1994 application to increase his contributions (the **1994 Application**). Section 2 of the 1994 Application asked whether Mr G was contributing into other products such as 'Family Benefit', 'PAY' etc. This section was crossed out with "N/A" written across it.
6. In 1996, Mr G again amended his contributions to the TAVC. The application form (the **1996 Application**) also asked for the appropriate box to be ticked if he was making contributions for Family Benefit, PAY etc. None of the options were ticked.
7. In September 2016, Mr G said that he was discussing pensions with an ex-colleague, who mentioned that he had purchased PAY in 1993. Mr G said that he was surprised by this as he believed, following a presentation about AVCs by Prudential sometime in 1993, that he was not eligible to purchase PAY.

8. Mr G complained to Prudential. He said that he was misled about his eligibility for the PAY option. Mr G said that the crossed out section of the 1994 Application backs up his claim that he was told that he was not eligible to purchase PAY.
9. Prudential said that its advisers would have provided advice about the TAVC Scheme but not about PAY - they only had to make Mr G aware of it as an alternative option. Prudential said that Section 2 of the 1994 Application, and the 1996 Application, indicate that PAY would have been discussed at the time to help him complete the form.
10. Mr G disagreed with Prudential and brought his complaint to us. He said that he would have purchased PAY in 1993 if he had known that it was available to him.

Adjudicator's Opinion

11. Mr G's complaint was considered by one of our Adjudicators who concluded that no further action was required by Prudential. The Adjudicator's findings are summarised briefly below:-
 - The questions in Section 2 of the 1994 Application did not apply to Mr G, as he was not making any contributions to the products mentioned. This section of the form was correctly marked as not applicable to him and does not support his claim.
 - Although Prudential has incorrectly referred to the TAVC Scheme starting in 1994, instead of 1993, the 1994 Application Mr G is relying upon could not have influenced his decision in 1993 when he joined the TAVC Scheme.
 - The 1994 Application does not say that Mr G was ineligible for PAY – it simply showed that he was not making any contributions into PAY at the time.
 - It is not necessarily suspicious that Prudential is unable to provide a copy of the 1993 Application. There is insufficient evidence to demonstrate that Mr G had been deliberately misled by Prudential.
12. Mr G did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr G provided his further comments, which do not change the outcome. I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Mr G for completeness.

Ombudsman's decision

13. Mr G said that the basis of his complaint is that he was not made aware that the PAY option was available to him when he joined the TAVC Scheme in 1993. It cannot be proved whether Prudential informed Mr G that the Pay option was available to him, but there is no evidence that they did. A reference to PAY on the 1994 Application does not mean that he was made aware that the option was available to him. He said

that changes to the Scheme and his salary would have made PAY too expensive by 1996, but he could have afforded it in 1993. Mr G accepts that each case is different but has mentioned other cases where the Ombudsman has upheld similar complaints; he considers that he has been treated differently. Mr G said, given that Prudential changed its systems in 1994/95, to ensure clients were advised about PAY, this clearly suggests such advice was not provided before.

14. Mr G acknowledges that it cannot be proved whether Prudential did or did not inform him that the PAY option was available to him. Mr G has not provided any evidence – circumstantial or otherwise – that Prudential told him that he was ineligible for the PAY option. I agree with the Adjudicator that there is insufficient evidence on which to uphold Mr G's claim.
15. I appreciate Mr G's concerns about the lack of documentary evidence of his TAVC Scheme application in 1993. Clearly, that is unhelpful. However, Mr G is placing some reliance on the available 1994 Application as evidence that he was misled about PAY. Mr G says that a reference to PAY in the 1994 Application is not conclusive that he was correctly informed about PAY. It is equally inconclusive that crossing out Section 2 of the 1994 Application demonstrates that he was misled. The section did not apply in his circumstances and, while it would also have been equally correct to answer "No" to each question, crossing out the section was neither incorrect nor misleading.
16. Prudential says that the 1993 Application would have been similar to the 1994 Application. Mr G questions this but, as the 1996 Application is similar to the 1994 Application, that seems very plausible. I do not find this a matter of concern.
17. Mr G has quoted cases dating back to 2004/05, where this office has upheld similar cases to his. However, more recent cases show that similar complaints have not been upheld.
18. Nonetheless, each case is assessed on its own merits and, having reviewed this particular case, on balance, I am unable to say that Prudential misled Mr G in 1993, or in 1994, regarding his eligibility for PAY.
19. Furthermore, providers regularly change and improve their systems. I do not consider that Prudential in doing so is an admission that it informed Mr G that he was not eligible for the PAY option. I do not need to consider the affordability of the PAY option for Mr G in 1996, as I have not seen sufficient evidence that he was misled in the first place.
20. Therefore, I do not uphold Mr G's complaint.

Anthony Arter
Pensions Ombudsman
2 August 2017