

Ombudsman's Determination

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| Applicant | Mr S |
| Scheme | Prudential Pension Plan (the Plan) |
| Respondent | Prudential Assurance Company (Prudential) |

Outcome

1. I do not uphold Mr 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 S has complained that Prudential will not allow him to take a second cash lump sum from the Plan. This is because he has already taken the tax free cash lump sum from the Plan, and is now receiving an annuity.

Background information, including submissions from the parties

4. On 30 December 2015, Mr S contacted Prudential and asked for quotations for a tax free cash lump sum with an annuity option.
5. Mr S telephoned Prudential on 19 January 2016, he said he had not received the annuity quotations. In the telephone note provided, Prudential said it was clear that Mr S did not understand the options available to him because he had complained that he had to take an annuity, which was not the case. Prudential offered to provide a full option presentation that would take three minutes, but Mr S declined. Prudential explained to Mr S that there was an option for him to take his benefits wholly as cash but that it would be beneficial to calculate all of his incomes to ensure he would not suffer a tax charge. Mr S did not want to do this and asked for the annuity quotations to be sent. Prudential remained concerned that Mr S was not entirely sure of his options and suggested he contact Pension Wise or seek advice from a financial adviser.
6. Prudential sent an application to Mr S on 19 January 2016. This said "Your annuity cannot be cashed in at any time", Mr S elected to take a tax free cash sum and a residual annuity and returned the forms. On 29 January 2016, Prudential telephoned Mr S and completed the risk warnings.

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7. On 2 February 2016, Mr S spoke to Prudential and confirmed that he wanted to proceed with the lump sum and annuity option.
8. No further action was taken until 3 May 2017, when Mr S complained to Prudential because he was unable to take a second cash lump sum as he was already in receipt of an annuity.
9. Prudential said it was unable to provide Mr S with a cash lump sum, and did not uphold his complaint. Prudential said it could not find any evidence that supported that he had been told that after setting up the annuity he would be able to receive a further lump sum.

Adjudicator's Opinion

10. Mr 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:-
 - Prudential acknowledged that Mr S did not seem entirely clear about what options were available to him. Therefore, it offered to discuss these with him further but Mr S declined. Prudential then referred him to Pension Wise so he could seek advice. Prudential could not have done anything more to assist Mr S.
 - Mr S made the decision as to how he wanted to take his benefits. He completed the risk warnings with Prudential and made his choice based on the information that it provided him. Ultimately, it is Mr S' pension and he had at least some responsibility to make sure he was well informed about how he was going to receive his benefits and the resulting implications.
 - Prudential cannot be held responsible for Mr S' misunderstanding that once he had set up his annuity he would still be able to take a cash free lump sum out of the Plan.
11. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his further comments:
 - He remembers a telephone conversation where he was told he would be able to take cash out of the Plan, at any time, even though he choose the tax free cash lump sum and annuity option.
12. Prudential confirmed that it agreed with Adjudicator's Opinion.
13. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr S for completeness.

Ombudsman's decision

14. Mr S considers that Prudential should allow him to take further cash from the Plan, even though his annuity is in payment.
15. The telephone notes that Prudential have provided clearly support its submission that Mr S was offered the opportunity to listen to a full options presentation, but declined this. He was also informed that he should seek advice from Pensions Wise or an independent financial adviser. I do not consider that Prudential could have done anything further to try and inform Mr S of the options available to him.
16. The documentation that was sent to Mr S, along with the application and the income payment form, said "Your annuity cannot be cashed in at any time". Therefore, even if Mr S was confused by the information given over the telephone he had the correct information in writing i.e. that he would not be able to take cash once the annuity was set up.
17. Further, when Mr S confirmed his choice over the telephone Prudential suggested to Mr S that he sought advice from Pension Wise when completing the risk warnings. I do not believe that Prudential could have done anything more to help Mr S. The ultimate responsibility lay with Mr S to ensure he was well informed when making his decision how to take his benefits from the Plan. Prudential cannot be held responsible if he did not do that.
18. Therefore, I do not uphold Mr S' complaint.

Karen Johnston

Deputy Pensions Ombudsman
3 October 2017