

## Ombudsman's Determination

Applicant	Mr K
Scheme	Scottish Amicable OmniPension Plan ( <b>the Plan</b> )
Respondent	Prudential

## Outcome

1. Mr K's complaint is upheld and to put matters right, Prudential shall pay £1,000 to Mr K in respect of the serious distress and inconvenience caused.
2. My reasons for reaching this decision are explained in more detail below.

## Complaint summary

3. Mr K has complained that Prudential is at fault for not keeping him informed of the value of his benefits within the Plan.

## Background information, including submissions from the parties

4. On 12 March 1990, Mr K left the Plan, an occupational pension scheme linked to his former employer (**the Employer**). Prudential, the Plan administrator, has said that it received no instruction from the Employer to remove Mr K's policy from the Plan.
5. Prudential has said that, under the terms of the Plan, an annual flat rate charge was applicable.
6. On 31 January 2006, Mr K called Prudential. Prudential's records show that Mr K told Prudential he was considering a transfer to another scheme so requested a transfer value. Prudential's notes show that the call handler requested transfer discharge paperwork be sent to him.
7. The illustration, dated 1 February 2006, quoted a surrender value of £480. The illustration also stated that Mr K had withdrawn from the Plan on 12 March 1990. The illustration did not contain information about applicable charges.
8. On 21 June 2012, Mr K called Prudential, but was told that he had no authority to speak to Prudential about his benefits.

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9. Mr K raised a formal complaint upon learning, in May 2018, that his surrender value had reduced to £46.
10. Prudential responded to say that, as it received no instruction that Mr K had left the Plan, it continued to send annual statements directly to the Trustees of the Plan (**the Trustees**), and that this was also the reason it would not speak to him directly in 2012.
11. Mr K has said that he tried to contact Prudential in 1995, 2000, 2001, 2006, 2012 and 2018 to try to get information about his benefits. Prudential has provided call notes from 2006 and 2012 but states it has no evidence of the other calls.

### **Adjudicator's Opinion**

12. Mr K's complaint was considered by one of our Adjudicators who concluded that Prudential made administrative errors that caused Mr K serious distress and inconvenience. The Adjudicator's findings are summarised below:-
  - The evidence shows that Prudential spoke directly with Mr K in 2006 about his benefits within the Plan.
  - The illustration issued in 2006 shows Mr K's correct leaving date, so Prudential ought to have known that Mr K left the Plan.
  - In spite of this and Mr K's request to receive his Plan information directly, Prudential continued to send information to the Trustees.
  - This action has deprived Mr K of the opportunity to mitigate his losses.
  - Prudential compounded this issue when, in 2012, it refused to speak directly to Mr K, incorrectly claiming it had no authority to do so.
13. Prudential did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Prudential provided its further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Prudential for completeness.

### **Summary of Prudential's response**

14. Mr K did not transfer in 2006 when he first made enquiries, which is likely because the transfer value was too low for a receiving scheme to accept.
15. Prudential does not think Mr K could have done anything to mitigate his losses until 2017, when he turned 55.
16. It accepts that it ought to have known Mr K left the Plan.

**Ombudsman's decision**

17. Given Prudential knew that Mr K had left the Plan in 1990, it ought to have issued statements directly to him from this time. Its omission to do so amounts to an administrative error. To deny Mr K information to which he was entitled, has denied him the opportunity to monitor the value of his pension benefits.
18. Prudential provided correct information to Mr K for the first time in 2006, some 16 years after he left the Plan.
19. Prudential's claim that Mr K could not have transferred to another scheme in 2006 due to the low transfer value is unsubstantiated by evidence.
20. When Mr K called in 2012, Prudential incorrectly told him it was not authorised to speak to him about his benefits, which is a further administrative error and compounded the issue of Mr K not being sent information about these benefits from 1990.
21. Prudential's administrative errors have spanned a significant period of time and have caused missed opportunities for Mr K to mitigate his losses. I find that Prudential has caused Mr K serious distress and inconvenience through its errors.
22. Therefore, I uphold Mr K's complaint.

**Directions**

23. Within 21 days of the date of this Determination, Prudential shall pay £1,000 to Mr K in respect of the serious distress and inconvenience he has suffered.

**Anthony Arter**

Pensions Ombudsman  
16 January 2019