

The complaint

In summary, Mr B complains that The Prudential Assurance Company Limited, gave him incorrect information about how his pension benefits would be affected if they were taken before the policy selected retirement age.

What happened

In September 2017, Prudential wrote to Mr B about his options for taking retirement benefits from the pension policy he had with it.

Mr B has made a number of complaints regarding this policy and the way Prudential calculated the value of it. In 2023 he made a further complaint about those issues and the information contained in the letter sent to him in September 2017. He said that he hadn't that letter.

In its response to Mr B's concerns, Prudential explained that it had already addressed MVRs in respect of his plan and wouldn't be commenting further. In relation to the wording in the September 2017 letter about five years from the selected retirement date (SRD); it said this was to highlight the fact that the guarantee on the policy would be proportionate to the date he actually took benefits. His policy was written to age 65 and premiums were paid to that date to secure the guarantee.

One of my ombudsman colleagues issued a decision explaining why it wasn't appropriate to look at Mr B's concerns about the application of a market value reduction (MVR) in relation to his pension policy. They decided that Mr B's complaint about the application of an MVR to his policy wasn't one that should be considered by this service.

One of our investigators then wrote to Mr B with his explanation as to why he didn't think Prudential had given him incorrect information regarding his pension. Mr B didn't agree with the investigator's assessment, so the case has been passed to me to review.

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.

Mr B has raised a number of concerns regarding his pension policy with Prudential. Those other issues have been considered by this service, so I won't revisit them here.

In essence, Mr B thinks the nature of his occupation and his being self-employed; meant that he could retire before his normal retirement date. And Mr B thinks that as a result this meant that the information Prudential provided to him in its letter sent to him in September 2017 about the impact on the guaranteed benefits his pension had, if they were taken/ moved more than five years before the retirement date was wrong, and he says they should have been proportionately reduced.

The terms and conditions of Mr B's policy do say:

"If you are in an occupation (approved by the Inland Revenue) in which it is customary to retire before age 60, an appropriately adjusted pension can commence at the customary retirement age (or at any time after that up to age 75).."

When Mr B applied to take out the pension, he completed an application form which stated his occupation. Prudential has provided a copy of this. Mr B thinks that his occupation was one that had a customary retirement age allowed a retirement prior to age 60.

I think it's particularly relevant here that the terms and conditions correctly in my opinion, refer to the fact that any such customary retirement ages need to be His Majesty's Revenue and Customs (HMRC) approved. That isn't a matter that Prudential has the authority to decide.

Prescribed occupations for the type of pension Mr B had, are set out by HMRC in the Pensions Tax Manual. Mr B's occupation isn't one that is on the list of prescribed occupations set out by HMRC. So, I don't agree that Mr B had a customary retirement age which meant that he was entitled to an appropriately adjusted pension, and that the information contained in the letter sent in September 2017, was therefore wrong.

I do understand that Mr B feels very strongly about this issue in relation to his Prudential pension. And I understand that my decision will be disappointing to him. But for the reasons I've set out above, I am not going to uphold his complaint.

My final decision

My decision is to not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 September 2023.

Simon Dibble
Ombudsman