

The complaint

Mr C complains that The Prudential Assurance Company Limited (Prudential) told him he'd need to obtain financial advice to take the benefits from his personal pension plan in the way that he wanted to. He said this wasn't a legal requirement.

What happened

Mr C had a personal pension plan with Prudential. He was over aged 55 so was legally entitled to take the benefits from his pension.

In July 2023, Mr C asked Prudential how he could access his pension savings. Prudential issued a number of letters to Mr C. These showed his current fund value. And explained the ways he could access his pension savings. Mr C's options were listed as follows:

You have three main options to choose from. The options are:

- *A regular income that is guaranteed to be paid for the rest of your life. This is known as an annuity.*
- *A flexible income where you maintain control of your investment and have access to your money. This is known as income drawdown.*
- *Take some or all of your fund as a cash lump sum.*

You can also consider a combination of these three options, or you can, of course, choose not to do anything yet.

After further information requests from Mr C, Prudential sent him information about his pension on 28 July 2023, 7 August 2023 and on 18 August 2023. The 18 August 2023 letters included transfer forms.

Mr C told this service that he wanted to take 25% of his fund as tax-free cash. And then drawdown the rest up to tax limits until his fund ran out. Mr C's personal pension plan couldn't be used to do this. Prudential said that in order to access its income drawdown product, Mr C would need to obtain financial advice.

Mr C said that Prudential put him in contact with a financial adviser. He said he was told that Prudential would take a percentage of his fund. And that the adviser would also charge a fee if he wanted to move into a Prudential income drawdown arrangement. Mr C said that he called Prudential and that it had confirmed that it wouldn't take anything out of his pension fund.

Mr C was unhappy with the requirement to obtain financial advice, so he complained to Prudential.

Prudential issued its final response to the complaint on 17 August 2023. It didn't think it'd done anything wrong. It said that for the type of transaction Mr C wanted, its policy always

required the involvement and guidance of a financial adviser.

Mr C wasn't happy with this response so he brought his complaint to this service. He said he'd been put under considerable stress when trying to access his own money. And that he'd urgently needed his funds. He felt Prudential didn't care.

Mr C transferred his pension to another provider on 12 September 2023.

Our investigator didn't think Prudential had done anything wrong. While she acknowledged that there was no legal requirement for financial advice to be required in Mr C's circumstances, she felt it was reasonable for Prudential's policy to require it when writing new business.

Mr C didn't agree with our investigator. He felt that Prudential had made it as difficult as possible to access his funds. He felt he should be able to access his own money when he wanted. He also felt he'd spent a lot of time speaking to Prudential but getting nowhere. Mr C didn't think his requirements were complex. So didn't agree that he needed financial advice before he could access Prudential's income drawdown policy.

As agreement couldn't be reached, the complaint has come to me for a 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.

Having done so, I'm not going to uphold it. I agree with our investigator that Prudential hasn't done anything wrong. I know this will be disappointing for Mr C. I'll explain the reasons for my decision.

Before I start, I'd like to state that this decision doesn't address Mr C's point about adviser charges. From what I've seen, Mr C has yet to raise this point as a complaint with Prudential. Until and unless he does that, this service can't consider this point.

I first considered whether there's any legal requirement for financial advice here.

Is financial advice legally required before income drawdown can start?

Mr C said that financial advice isn't required in his situation. So he felt Prudential had acted incorrectly when it told him he needed to take financial advice before he could access income drawdown with it.

I agree with Mr C that there isn't a legal requirement for him to obtain financial advice in this case. However, that doesn't mean that Prudential did anything wrong when it adopted a policy of requiring consumers to take financial advice before allowing them to set up a new income drawdown policy. I say this because it's Prudential's decision on how it runs its business. This means it has the right to require financial advice to have been given before it will set up a new income drawdown policy.

I next considered if there's any evidence that Prudential treated Mr C incorrectly.

Did Prudential treat Mr C incorrectly?

Mr C felt that he should just be able to access his money in the way that he wanted. And that in not letting him set up an income drawdown policy so that he could take the actions he

wanted to, Prudential had treated him unfairly.

We don't have the power to tell a business how it should treat its customers or how it develops its internal policy requirements. That's a matter for the regulator, the Financial Conduct Authority (FCA).

Prudential told this service that because of the complex nature of its income drawdown product, it only accepts business for its Retirement Account on an advised basis. Mr C would've had to open a Retirement Account with Prudential in order to take his pension funds the way he wanted to, as he couldn't do that with his existing personal pension plan.

I'm satisfied that it's understandable and reasonable for Prudential to have a process in place to ensure that consumers who want to embark on income drawdown better understand the impact of their intended actions. So, I can't say Prudential has acted unfairly in having the requirement for financial advice and for applying that requirement in this case.

I acknowledge that Mr C was extremely frustrated that he couldn't take his own money from his pension fund in the way he wanted. But I've found no evidence that Prudential did anything wrong when it required him to meet its usual requirements for setting up an income drawdown policy. And I've also seen no evidence that Prudential treated Mr C any differently to any of its other customers.

I'm sorry that Mr C was caused stress when trying to access his pension funds the way he wanted to. I hope he's been able to do what he wanted to after his transfer to his new provider. But I'm satisfied that Prudential has acted fairly. And I don't uphold the complaint.

My final decision

For the reasons set out above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 January 2024.

Jo Occleshaw
Ombudsman