

## The complaint

Ms R complains that Prudential Assurance Company Limited paid her ex-partner, Mr R, half of the value of two joint endowment policies without her agreement or knowledge.

## What happened

Ms R and Mr R held two joint endowment policies. Both matured in 2010, but the couple were unable to agree over the percentage split of the total maturity value.

In 2019 Ms R found out Prudential had paid Mr R 50% of the maturity value without her knowledge or signed authorisation. She was very unhappy and upset by Prudential's actions. She said it had breached the terms and conditions of the policies by paying Mr R without her authorisation. And she questioned why she couldn't have requested payment years earlier without Mr R's consent. She was also concerned that Prudential hadn't told her about the payment to Mr R.

Prudential said it was approached by Mr R in 2019 asking for his 50% share of the money. And given the amount of time it was taking to settle the claim, it made a business decision to pay him without Ms R's signed authority. Prudential said it made reasonable attempts to contact Ms R about the payment, but accepted its customer service could've been better. It paid Ms R £100 and said it would release her 50% share of the money once it received completed claim forms.

Ms R didn't accept Prudential's response to her complaint and referred it to our service. She thought Prudential should've made better attempts to let her know it was going to pay Mr R his 50% share. And she couldn't understand why it had made the decision to pay Mr R when it did. Ms R felt she'd been disadvantaged as she could've got her 50% of the money sooner if she'd known two signatures weren't required, as the Prudential had led her to believe. Ms R said having the money sooner would've benefited her quality of life by allowing her to buy property and invest the money.

One of our investigators considered Ms R's complaint and upheld it. He felt Prudential was within its right to have made a business decision to pay Mr R when it did. But he felt it should've done more to let Ms R know about the payment. He asked Prudential to pay Ms R 8% interest on her share of the money from the date Mr R was paid his 50% share. And he thought the £100 already paid by Prudential was enough to compensate Ms R for the trouble and upset caused.

Prudential didn't accept our investigator's suggested settlement, and said it'd already paid Ms R Bank of England base rate interest on her share of the money from when the policies matured in 2010 – putting her in a better financial position than she would've been in under the investigator's suggested settlement. Prudential didn't accept it'd made a mistake by paying Mr R's share of the money when it did, or that any mistake on its part directly resulted in Ms R not having the benefit of the money sooner. So, it didn't think it should pay 8% interest. Our investigator accepted Prudential's position, and thought what it'd offered was fair.

Ms R didn't agree with our investigator's findings and the case has been passed to me to review. She felt Prudential could've released her share of the money much sooner, given it was now saying it didn't need two signatures. Ms R said having the money earlier would've impacted on her life and investment choices. So, she wanted Prudential to compensate her for her losses.

### **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 upholding it for largely the same reasons as the investigator.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the right outcome.

It's evident that despite Prudential's attempts to release the money sooner, Ms R and Mr R were unable to agree on how the proceeds of the two endowment policies should be split. I appreciate this was a difficult time for Ms R, and can fully understand her reluctance to settle on anything less than what she was entitled to. Despite Prudential's attempts to settle the matter, this dispute was ongoing from when the policies matured in 2010, to when Prudential paid 50% each to Mr R and Mrs R in 2019.

So, when Mr R approached Prudential in 2019 asking for 50% of the money, it took a business decision to pay him without the need for Ms R's authority. I can understand how Ms R was upset by this. Particularly as she'd been happy to accept 50% of the money from the outset, but believed both her and Mr R's authority was needed in order for either of them to receive payment, in line with the terms and conditions of the policies.

But I'm satisfied Prudential's decision to pay Mr R was one it was entitled to make, having got advice from its legal department. Prudential considered how long it had been since the policies matured, and the steps it'd taken to try to settle the matter. It also recognised Mr R was a joint owner of the policies, and as such, was entitled to half their value – whilst Ms R's 50% interest in the policies was being protected. So, based on the information available to Prudential in 2019, and in the absence of any legal documentation to show Mr R wasn't entitled to 50% of the money, I can't say Prudential acted unfairly by releasing the money to Mr R when it did.

Ms R's main concern is whether Prudential would've paid her 50% of the money she was entitled to if she had requested this in 2010. And if so, she would've had the benefit of the money sooner.

Whilst I recognise that Ms R has found herself in an unfortunate position, I'm afraid I can't agree with her on this point. That's because I can't say with any degree of certainty that Prudential would've paid her 50% of the money in 2010 without Mr R's authority. As far as Prudential was concerned, the policies, and their values, were owned equally by Mr R and Ms R. But given the lack of agreement between the parties from 2010 to 2019, Prudential retained the money until such time as an agreement could be reached. It was only nine years later, when Prudential was satisfied neither party was able to show they were entitled to more than half the money, that it took the decision to pay Mr R. Any action Prudential may or may not have taken if Ms R had insisted on being paid her 50% share of the money back in 2010 is speculative. And this would've been a decision for Prudential to take at that point in time.

I don't dispute the impact having her share of the money in 2010 would've had on Ms R and her family's financial and life choices. But given there's no evidence to show a mistake by Prudential directly lead to Ms R not receiving her share of the money in 2010, I can't ask Prudential to reimburse her for any financial losses she might've incurred as a result. However, in appreciating Ms R's difficult situation, Prudential agreed to apply the Bank of England interest rate to Ms R's share of the money from 2010 when the policies matured. That seems fair to me. And puts Ms R in a better financial position than she would've been under the settlement offer suggested by the investigator.

In terms of the customer service, its unfortunate Ms R didn't get letters sent by Prudential in 2019 about the payment to Mr R, and that her phone calls weren't returned within the time promised. Prudential has apologised for this, explained the attempts it took to contact her, and assured Ms R that not receiving its letters was in no way linked to its decision to pay Mr R his share of the money. Prudential also paid Ms R £100. This all seems fair and reasonable to me, and in line with what I'd expect to see in similar cases. So, I won't be asking Prudential to do any more.

### **Putting things right**

For the reasons I've given above, I believe Prudential's decision to pay Bank of England interest rates on Ms R's half of the policies' values from the date of their maturity is fair. I also think the £100 paid by Prudential for its poor customer service is reasonable.

### **My final decision**

My final decision is that I uphold this complaint. I don't require Prudential Assurance Company Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 27 March 2020.

Anna Jackson  
**Ombudsman**