

The complaint

Mrs R complains that The Prudential Assurance Company Limited hasn't paid her the proceeds of her life assurance policy.

In bringing this complaint, Mrs R is represented by Mr R and Ms A.

What happened

Mrs R had two policies with Prudential. One policy was taken out in 1964 and was a life assurance policy for 30 years that would pay out a lump sum when Mr R passed away. The other policy provided life cover and savings.

In 2019, Mrs R contacted Prudential to cash-in her life cover and savings policy. However, it said that it had paid the maturity payment in October 2000, and a cheque for £7,862.97 had been sent to her address. But Mrs R said that the money hadn't been paid to her. She asked for more details about what had happened, and it had told her that it had an address for her in London, when this wasn't right. Prudential had limited information about the settlement of the policy. It said it retained details of claimed policies for a period of seven years, and after that time, the details are removed.

Mrs R complained. She said Prudential had referred to her by the wrong name. She said her bank had no record of the cheque being cashed in any of its branches.

Prudential said that the cheque for the policy proceeds had been sent to Mrs R's address in 2000, so it had been paid out correctly. But it apologised for the incorrect name being included on its letters and that Mrs R's request to receive a telephone call hadn't been actioned. It arranged to pay Mrs R a total of £300 (in two separate amounts of £150) for the upset, inconvenience and confusion that she was caused by the communication about her policy.

One of our investigators looked into the complaint. He said that neither Prudential nor Mrs R's bank had any details of the cheque being cashed, but that this wasn't unexpected as businesses may not keep such records for more than six years. He said that Prudential's records showed the cheque was posted to Mrs R at her correct address at the time. However, he said that the £300 it had sent to Mrs R was fair for the trouble and upset she was caused through Prudential's correspondence about the complaint.

Mrs R's representatives said that she didn't accept the investigator's findings. They said they had been told that the money had been paid out to someone in London. They had no record of receiving the cheque and didn't believe it had been sent. They felt that Prudential owed the money to Mrs R and asked for proof of the letter that the cheque was sent with, and where and when the cheque was cashed.

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.

I do appreciate how Mrs R has been concerned about the proceeds of her policy; that she doesn't recall receiving the cheque Prudential sent; and that she has no bank records of this. I can see that the matter has been further confused by Prudential's communication with her with the details she was given and in addressing her by the wrong name.

Because of the passage of time since the policy was paid out, there are understandably limited records still available. But I don't think this is unreasonable as Prudential isn't required to retain such records indefinitely. However I've looked at the available information about Mrs R's two policies.

The first plan provided life cover on the death of Mr R during the 30-year term and was taken out in 1964. So this plan ended without value or claim in 1994. I can see Mrs R has referred to a payment of £150 being made in relation to this, but this was compensation for the distress and inconvenience she was caused through Prudential's communication with her about it rather than a payment from the policy itself.

The second plan provided life cover and savings. Prudential has told us that its term ended in 2000 and that the maturity payment was sent to Mrs R at that time in the form of a cheque, and this was sent to the address it held for her – which it confirmed in its final response letter. Prudential's records show the policy number; the date of the cheque; its value; the cheque number and that it was payable to Mrs R.

While I appreciate that Mrs R will be understandably disappointed as she doesn't recall receiving this cheque and would like more of an explanation about what happened to her money, I don't think that Prudential has done anything wrong as the records indicate that the policy proceeds were sent to Mrs R when it matured. I acknowledge that there was initially some confusion about the address it held for her at that time, and a London address was referred to, but Prudential has since confirmed this wasn't the address the cheque was sent to. And the one it did use was Mrs R's correct address at the time.

Prudential has apologised for the confusion it caused Mrs R with its communications about her policies, and for referring to her using the wrong name. To recognise this, it has sent Mrs R a total of £300, which I understand she has received the cheques for. Taking everything into account, I think that this fairly recognises the upset and inconvenience she was caused.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 26 May 2021.

Cathy Bovan
Ombudsman