

## **The complaint**

Mrs S complains about how The Prudential Assurance Company Limited processed surrender requests for two investment bonds she held with them.

## **What happened**

On 23 October 2020 Mrs S' independent financial adviser (the IFA) working on her behalf emailed Prudential with surrender forms for two investment bonds. On 29 October 2020 the IFA received a letter from Prudential asking for clarification on one of the bonds saying the form wasn't clear about whether it was a full or partial surrender. The same day the IFA emailed two more surrender forms completed with the numbers as requested.

Upon receipt of the forms on 29 October 2020 Prudential surrendered both bonds that day and wrote to the IFA soon after to confirm this. In between that time Prudential sent a letter saying that one bond had been surrendered on 28 October 2020, which has caused some confusion, and they say was issued in error.

The IFA complained on behalf of Mrs S saying that the bonds should have been surrendered on 23 October 2020 and the delay in doing so had led to a financial loss. Prudential looked into what happened and were satisfied they completed the process correctly so didn't uphold the complaint. Remaining unhappy the IFA brought Mrs S' complaint to this service on her behalf.

One of our investigators looked into what happened. Whilst acknowledging the disappointment the delay caused, overall they thought Prudential acted correctly and didn't hold them liable for seeking clarification about the surrender. Mrs S didn't accept the outcome and the IFA provided some more information and reasons about why they felt errors were made. Our investigator considered all of this but still thought Prudential acted reasonably. Mrs S disagreed so the complaint has come to me for a decision.

## **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.

The IFA working on Mrs S' behalf has provided a lot of information about this complaint and it's clear how strongly they feel about what happened. I want to assure Mrs S that I've read and considered everything that's been submitted even if I don't mention it in detail. I've summarised what happened which reflects the informal nature of this service.

I think the main thing for me to consider here is whether I think Prudential acted fairly and reasonably by seeking clarification about the surrender of the bonds. And I think they did.

When Prudential received the surrender forms they say it wasn't clear whether it was a partial or full surrender. And I can see why. The form was completed with the seven digital alphanumeric account number for the bond along with three digits representing one segment of the bond. As the bond is broken into twenty segments, and the number for only one of

those segments was on the form which asked for a full surrender of the whole bond, I can see why clarification was needed as this was conflicting information.

The IFA says he emailed forms for both bonds on 23 October 2020, and I've no reason to doubt this, but Prudential only wrote back about one. This does seem odd if both forms were attached to the same email. However I don't think it makes a material difference as both forms were completed in the same way which needed clarification.

When both satisfactorily completed forms were received by Prudential on 29 October 2020 the bonds were surrendered on the same day. So I think action was taken quickly, and this was confirmed in writing the next day. Mrs S and the IFA say this should've happened on 23 October 2020 when the forms were first emailed; but I can't agree that's the case as I've explained above.

The IFA has said that on a previous occasion for other clients he received different information about how the numbers should be written. It's not my place to say what happened on that occasion, and I must base my decision on what happened here with the forms for Mrs S. And I think Prudential rightly sought clarification of the surrender.

Prudential issued a letter about the surrender of one of the bonds on 28 October 2020 which they say was done in error. Mrs S has questioned this error saying the surrender value on that letter should be what is received. I can see why this letter caused some confusion but looking at what happened I'm satisfied it was issued in error. The satisfactorily completed forms weren't received until 29 October 2020, and it's on that date the surrender was processed for both bonds. So I think the surrender was processed properly.

Having considered everything that happened I'm satisfied Prudential acted fairly and reasonably when processing the surrender of the bonds. That's not to say there weren't problems which caused a delay; as I think there were. But I don't think this was due to any errors made by Prudential.

### **My final decision**

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 22 February 2022.

Warren Wilson

**Ombudsman**