

## The complaint

Mr and Mrs J's complaint is about a mortgage endowment policy they held with The Prudential Assurance Company Limited. They believe that Prudential didn't administer the policy correctly in that it didn't allocate the right amount to the policy on a monthly basis from 2005, which has resulted in the policy falling short of its target value.

## What happened

Mr and Mrs J arranged a mortgage endowment policy with Prudential in 1996 through an independent financial adviser. It had a target maturity value of £44,180 and provided life cover of the same amount over the 25-year term. The policy had a monthly premium of £70.40.

The policy schedule set out that until January 2020, 63.5% of the monthly premium would be invested. From January 2000 to November 2005, 97.75% would be invested and thereafter 103.25% would be invested.

In September 2021 Prudential wrote to Mr and Mrs J reminding them that the policy was due to mature shortly. It set out what they needed to do to claim the maturity value. It also told them that it estimated that the maturity value would be just under £41,000.

Mr and Mrs J complained on 17 September 2021. They said that they believed the shortfall predicted in the maturity value was due to a shortfall in the 'investment content' of their monthly premium Prudential had applied to the policy. They highlighted that the policy schedule said that 103.25% of each premium would be invested in the fund from 1 November 2005, but less than 100% had been invested from that date. As such, they asked that Prudential looked again at the maturity value of the policy and update it accordingly.

Prudential sent Mr and Mrs J just over £41,000 on 27 October 2021.

Prudential didn't issue a final response letter, due to some confusion with a previous complaint made by Mr and Mrs J about the policy. As such, Mr and Mrs J referred the complaint to this service.

When we asked Prudential for evidence about the premium allocation, it provided a system print for the policy which showed the amounts invested in the fund for the policy. It detailed that in October 2005 £68.82 was allocated to the policy. From 1 November 2005 £72.69 was invested. Prudential also explained that the 100% mentioned on the statement Mr and Mrs J had referred to confirmed that 100% of the investment was held in the Managed Fund, rather than it being split across different funds.

One of our investigators considered the complaint. He confirmed that the evidence we had showed that the correct amount had been allocated and so the complaint didn't succeed.

Mr and Mrs J didn't accept the investigator's conclusions. They reiterated that they didn't believe that Prudential had invested 103.25% of the monthly premium each month from

November 2005. They didn't provide any documentary evidence to support this statement. They also commented that Prudential had known about their concern for over three years, due to comments they made in a previous complaint, but hadn't commented on the issue until we asked for evidence. Mr and Mrs J said that they thought that Prudential simply ignored them and avoided the issue. They felt that valuable information was withheld from them. They also indicated that they didn't believe the evidence that was provided was genuine. They asked that the complaint be referred to an ombudsman.

Subsequently, Mr and Mrs J commented on how we should investigate their complaint. They also said they wanted us to look into why Prudential hadn't provided them with information about the policy allocation, despite them asking for it for over three years. They also said that I should include in my determination whether Prudential's behaviours had any bearing on the series of complaints, postal costs, and telephone costs they had incurred.

The investigator responded to the points Mr and Mrs J had made. He didn't think that the premium allocation information not being provided earlier caused Mr and Mrs J to suffer a loss. He also explained why he didn't think that Prudential needed to provide further evidence about the policy allocation.

### **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 will explain first that the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations. Were we to do so, it would compromise our independence and impartiality. It is up to us to identify what the issues are in a complaint, and to decide what evidence we need in order to investigate that complaint. So although I have noted Mr and Mrs J's comments on what evidence they consider we should request from Prudential, I am satisfied that I have sufficient evidence to form a decision.

Mr and Mrs J have said they don't believe that Prudential allocated as much money to the policy as it was meant to under the contract terms that were entered into. I have seen excerpts from Prudential's system records showing the amounts allocated to the policy before November 2005, in November 2005 and at various points thereafter. I am satisfied that this evidence shows that Prudential made the allocations it was obliged to under the terms of the contract it entered into with Mr and Mrs J.

While Mr and Mrs J have said that they have been asking for information about the allocation rates for three years, they haven't provided any evidence of these requests. The only mention of the allocation rates that has been provided is their complaint letter of September 2021. I would also comment that given the first complaint they raised was in 2007, the lack of information had it been requested for the last three years, couldn't reasonably be said to have caused Mr and Mrs J to have needed to raise their previous complaints. Nor does it appear that their previous complaints were directly linked to the allocation rate applied to the policy.

Overall, I am satisfied that the evidence shows that Prudential administered Mr and Mrs J's policy in line with the terms and conditions. As such, I can't find that it did anything wrong and so I can't uphold this complaint.

**My final decision**

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs J to accept or reject my decision before 4 October 2022.

Derry Baxter  
**Ombudsman**