

## **The complaint**

The executor for the estate of K complains that The Prudential Assurance Company Limited provided incorrect information about how it would calculate the value of an investment bond when a life assured died. The executor says the error resulted in a loss to the estate.

## **What happened**

Prudential told a representative of the estate of K that it would use the date of death of the life assured to calculate the value to be paid to an estate. Instead, Prudential paid out the value of the investment based on the date it received written notice of the death of the life assured.

The investment bond fell in value between the date of death and the date Prudential received the written notification of death. The executor of the estate of K complained to Prudential that the information it provided was incorrect and, if he'd been told the correct information, he wouldn't have provided the written notice of death until the value of the investment bond had recovered. The executor asked Prudential to honour the date of death valuation. Prudential accepted that it provided the incorrect information to the estate of K when it was first contacted the death of the life assured but confirmed it had since acted in line with its terms and conditions. It said it would provide the appropriate training to staff who provided the incorrect information and paid the estate of K £700 for the distress and inconvenience the error had caused.

The executor for the estate of K thought that the offer didn't put the estate back in the position it should have been in if the error hadn't been made. The executor brought the complaint to the Financial Ombudsman Service. One of our Investigators looked into things and thought that Prudential had acted in line with the terms and conditions didn't need to do anything else.

The executor of the estate of K felt Prudential should pay the full amount of the crystallised loss and asked that an Ombudsman decides the complaint.

## **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 understand that the executor of the estate of K will be disappointed, but I've decided that although Prudential made a mistake in the initial information it provided, It did value the investment bond in line with the terms and conditions. I will now explain why.

Prudential accepts it initially told the estate of K that the amount it would pay out on the death of the life assured would be the value of the units at the date of death plus interest. Prudential also accepts that the valuation of the investment calculated in line with the terms and conditions of the investment bond was lower than the executor for the estate of K expected to receive.

The executor of the estate of K says he took into account the information Prudential provided in the first call when deciding to send in the necessary written notices. The executor says that he believed the value of the investment had been locked in and provided some certainty when dealing with the affairs of the estate of K. However, the terms and conditions make it clear that the value Prudential would pay on the death of the life assured died is based on the number of units held on the date the life assured died, and that these units would then be valued on the date Prudential received the written notification of the life assured's death. In this regard I've decided that it was fair and reasonable for Prudential to rely on its terms and conditions to calculate the value of the investment on death in this way.

The executor for the estate of K says that Prudential deprived the estate of the opportunity to potentially crystallise the value of the bond at a higher level. In this regard I've seen that Prudential has paid the estate of K £700 to reflect it made the error. As I consider Prudential acted fairly and reasonably in applying the terms and conditions I won't be commenting further on this payment, and I won't be asking Prudential to do anything else.

### **My final decision**

I've decided that The Prudential Assurance Company Limited acted fairly and reasonably when it applied the terms and conditions of the investment bond held in the estate of K, and I won't be asking it to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of K to accept or reject my decision before 12 April 2023.

Paul Lawton  
**Ombudsman**