

## **The complaint**

Mr S complained about Prudential Assurance Company Limited (Prudential). He said he tried to surrender his unit linked whole of life policy but has been unable to. He said it has been stressful and time consuming to try and resolve matters with Prudential.

Mr S would like Prudential to pay compensation for not resolving his complaint.

## **What happened**

Mr S holds a unit linked whole of life policy with Prudential, that it calls 'flexi cover'. This policy commenced from 26 October 1984, and it is still active. Mr S pays a monthly premium. Prudential uses this premium to pay partly for life assurance cover and partly for units in investment funds. The premise behind the policy is that it provides the policy holder with the potential benefit of growth of the investment alongside life cover. Mr S currently holds a number of units and because of this, the policy has a surrender value.

Mr S said he asked to surrender the policy around four years ago and has tried to follow this request up many times but has run into some problems with Prudential over this.

The policy is held in trust. There are three trustees, including Mr S that, under the rules of the policy would distribute any funds from the policy under the terms of the trust deed. Mr S said one of the trustees on his policy passed away some time ago. He said he has been asked by Prudential to obtain a death certificate and he cannot find any record of this. He said he asked Prudential many times to cancel the policy, without the need for this. He said it has been stressful and time consuming to try and resolve. He complained to Prudential about it.

Prudential said in response that it is satisfied it has issued Mr S with details of what it requires in order for him to surrender the plan. It feels the requirements it has set are fair and reasonable. It said to date it hasn't received the information it needs to process the surrender of Mr S's plan.

Prudential said it has been a long process dealing with Mr S's complaint and at times the service it has provided has fallen below the standards it aimed to provide. It said it has previously awarded compensation of £475 for distress and inconvenience and £25 for costs, and it thinks this is fair.

Mr S was not happy with Prudential's response and referred his complaint to our service.

An investigator looked into Mr S's complaint. He said he didn't think Prudential needed to take any action. He was satisfied it paid an adequate level of compensation for the delays caused in it communicating information in a timely and clear manner.

The investigator could see Prudential requested a death certificate and also that it carried out a review with its legal team to consider an alternative option due to the unusual circumstances of there being no certificate for the deceased trustee. He said it provided an alternative, that required Mr S using a solicitor, to provide an amendment to the deed.

The investigator concluded that Prudential is required by law to follow relevant rules and regulations for policies held in trust. He didn't think it acted unfairly in the advice it provided. He concluded he had not seen enough evidence to suggest it had acted unfairly.

Mr S was not in agreement with the investigator's view. He said staff from Prudential told him he should be able to surrender his policy without a death certificate. He said he tried to obtain a certificate, but this was not possible, and he had exhausted his options in trying to obtain one.

The investigator sent a second view to Mr S and this time put together a detailed timeline of events as he saw them. He concluded that after carefully reviewing the points Mr S raised, he was still of the opinion that the compensation offered was in line with what our service would recommend. He said the amount was reflective of the distress and inconvenience caused as a result of Prudential's errors. He didn't uphold Mr S's complaint.

Mr S disagreed with the investigator and said he didn't think he had fully understood his complaint. He again mentioned that Prudential staff told him he could cash in his policy during a telephone call.

Because the parties are not in agreement, Mr S's complaint has been passed to me, an ombudsman, to look into.

### **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 have independently reviewed Mr S's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

Mr S asked to surrender his policy in 2020 and receive the value that it had accrued. He completed the paperwork and sent it in.

After an initial delay, Prudential contacted Mr S and said that it needed the trustees to sign the paperwork in order for him to surrender it. Mr S at this point realised he had an issue with Prudential's request: one of the two other trustees had died and then to add to matters he had done so in another country. This, Mr S found out, caused problems with him locating a death certificate for him, something Prudential required a copy of, to satisfy the rules it was governed by relating to his policy being in trust.

I have read the correspondence between the parties and can see that Prudential asked for a copy of the death certificate and the reasons why. I have also read Mr S explain that he hasn't been able to locate a copy of the death certificate and the lengths he has gone to, to try and find it. There has been a lengthy delay here, as both sides have tried to explain and put across their position. Prudential has insisted on receiving a certificate and Mr S has explained how he can't provide one.

In more recent times in 2024, Prudential wrote to Mr S and provided an alternative solution to the problem. It consulted its legal team and after this, suggested Mr S contact a solicitor and ask it to draw up an amended deed referencing what had happened under the Trustee Act 1925 Section 36.

Mr S said Prudential should instead surrender his policy without the need for a death certificate or a revised deed from his solicitor. He said he provided Prudential with a copy of

an obituary of the trustee as proof of his death. He has on a number of occasions referred to conversations he's had where he said its staff have told him this could happen and have given him misleading advice.

I have considered what both parties have said here carefully, regarding Mr S's request to surrender his policy. I think it's worth saying from the outset that this is not a straightforward issue for either side to deal with. And it is for this reason that matters haven't been resolved in quick time. The complexity of the issues involving Mr S's policy do also explain I think why Mr S, at times, received mixed messages from staff at Prudential about what could be done about the issue, although I note that it has reinforced its position a regular basis, in that it on several occasions it said to Mr S that it needed a copy of a death certificate or latterly an amended deed.

That being said, Mr S has pointed to some of the responses he received from Prudential staff and said it should surrender his policy without the need for a death certificate. But I don't think it would be fair and reasonable of me to ask Prudential to do this. It's stance that it has reinforced, has been until it received further advice from its legal team, that he needed to provide a copy of a death certificate for the trustee. It asked for this in order to adhere to rules about a policy that was in trust. I don't think I can say for this reason, that Prudential was wrong to do this.

If that was how Prudential had left it, then I would have needed to consider whether Prudential had done enough to resolve matters, as there would have been a stalemate between the parties.

But I can see that Prudential did refer this difficult issue to its legal team as I have already mentioned, and then after this, gone back to Mr S and offered an alternative option. This being to ask his solicitor to draw up a revised deed, reflecting the change of circumstances with one of the trustees. I have read the letter it sent to Mr S in this regard and can see it has been quite specific about this and what it requires. I think, bearing in mind what I have already concluded, Prudential have not been unreasonable here, by seeking legal advice and then providing Mr S with an alternative way forward so that he can surrender his policy.

Therefore, I don't think Prudential has been unfair to Mr S by not doing what he wants it to do, this being surrender his policy without first ensuring that it has the necessary checks completed with regards to the trust and trustees. So, it follows, I don't uphold this part of his complaint.

I also don't think Mr S would have acted on any advice given to him by Prudential if it had provided this any sooner. This is because the policy is still live, and Mr S hasn't acted on the advice that Prudential provided. Therefore, I don't think Mr S has lost out here in regard to receiving the proceeds of the policy sooner and being deprived of his funds.

Prudential has admitted to making mistakes with regards to Mr S's request though and has paid compensation to him, for the distress and inconvenience it has caused. It said it paid this because it took longer than it should have done to respond to Mr S's enquiries and requests for service, and this would have been stressful for him.

I can see Mr S's complaint has taken a long time to get to the point, where it provided him with an alternative way forward. Part of the reason for this, as I said earlier, was because this was not a straightforward issue to resolve and so Prudential needed time to seek advice and consider how best to move forward with Mr S's complaint. There was also a time when one of the investment funds was suspended, so nothing could have been done in this period of time as the units Mr S held in it couldn't be sold. So, some of the delay caused was in relation to this, and this is to be expected.

However, by Prudential's own admissions it was slow to respond to Mr S's request for service on a number of occasions, and took longer than it ought to, to respond to his complaint. I can also see Mr S's point to a degree that he received mixed messages from representatives from Prudential when he contacted them, including in 2022 and a phone call in March of this year, in the context of what I have already concluded about this.

The Financial Ombudsman Service has provided guidance on what a business should consider when making a payment for distress and inconvenience, and this is displayed on our website. I have looked at this and compared what has happened in this complaint to our guidance, in consideration of all that has happened.

In doing so, I think what Prudential has already paid is fair and reasonable in the circumstances of Mr S's complaint. This is because I can see that it has made a series of errors in how it has dealt with Mr S's requests and has caused some of the delay by doing this.

Prudential has overall paid Mr S £475 for the distress and inconvenience it said it has caused along with £25 for the costs associated with calls he has made to it. I don't think it needs to do anything more here.

In conclusion, Prudential has made a series of errors in how it has dealt with Mr S's complaint, and it has paid compensation to him for the distress and inconvenience it has caused. I think what it has done here is fair and reasonable in all the circumstances of Mr S's complaint. It has also sought advice from its legal team and provided Mr S with an alternative solution to resolve the issue of how he can move forward and surrender his policy. This involves him obtaining help from his solicitor to provide Prudential with what it needs to satisfy its requirements, so it can go ahead and surrender his policy as he has requested. I don't find what it has advised here to be unreasonable, so it is now with Mr S to consider moving forward with this, as Prudential has suggested, if he wants to.

I appreciate that my decision will be disappointing for Mr S, and I acknowledge the strength of his feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't uphold his complaint.

### **My final decision**

My final decision is that I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 November 2024.

Mark Richardson  
**Ombudsman**