

The complaint

Mr M and Ms Y complain that The Prudential Assurance Company Limited delayed paying out a with-profits endowment plan and failed to fully recognise the distress and inconvenience this caused.

What happened

In early 2023, Prudential wrote to Mr M and Ms Y to tell them their with-profits plan was due to mature in April. Mr M and Ms Y completed the maturity form and returned it to Prudential in good time. Prudential requested further information about the bank account they wanted the maturity funds to be sent. Mr M and Ms Y provided further information to Prudential, but the payment was delayed, and they complained.

Prudential upheld the complaint. They apologised that the level of service provided was below the standard they should have provided. Prudential paid Mr M and Ms Y an amount reflecting the loss of interest on the maturity value until it was paid to them. In addition, Prudential paid them £300 to recognise the distress and inconvenience caused by the delay.

Mr M and Ms Y weren't happy that the £300 was a reasonable amount for the distress and inconvenience and brought the complaint to the Financial Ombudsman Service. One of our Investigators looked into things and thought that the loss of interest Prudential paid Mr M and Ms Y was in line with the guidance on our website but felt that Prudential should pay an additional £200 to Mr M and Ms Y because of the impact the severe delays had on them.

Prudential accepted the recommendation provided by our Investigator. Mr M and Ms Y felt that because the delays lasted several months, they suffered serious disruption to their daily life. They feel that the recommendation of a payment of £500 in total for the distress and inconvenience they experienced was unreasonable. They asked that an Ombudsman decides the complaint. The complaint was passed to me to consider.

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'm sorry that it's taken several months for the complaint to be allocated to an Ombudsman. We have received a large number of complaints about similar issues, and we are doing all we can to work through these cases. Although I appreciate this has disappointed both parties to the complaint, cases are allocated to an Ombudsman in order of when they are sent to decision. Nevertheless, I apologise to both parties for the delay.

I understand Mr M and Ms Y will be disappointed, but for very much the same reasons as our Investigator, I've decided that Prudential took reasonable steps to remedy the financial loss caused by the delay in paying out the maturity value. I've also decided that it would be fair and reasonable for Prudential to pay Mr M and Ms Y a further £200 to reflect the distress and inconvenience they experienced when trying to get the maturity value paid. I will now explain why.

I've considered what I believe to be the crux of Mr M and Ms Y's complaint. Having reviewed the correspondence and evidence provided, it seems to me that although Mr M and Ms Y accept the amount Prudential paid for the loss of interest on the maturity value is reasonable, they feel strongly that a payment of £500 in total doesn't reflect the serious disruption to their lives. In the complaint form submitted to the Financial Ombudsman Service, Mr M and Ms Y says they have been affected by the emotional stress and financial strain caused by the delay. And, in their response to our Investigator's view, they say Mr M had to make many calls to Prudential and often had to wait long periods to be connected.

Prudential haven't disputed that they unreasonably delayed paying out the maturity value. So, I don't have to make a decision that they provided a poor service to Mr M and Ms Y in this regard. Instead, I will look at the impact on Mr M and Ms Y.

Prudential have calculated how long the delay was and paid Mr M and Mr Y interest at 8% simple for the period. This is in line with what we would expect Prudential to do. It reflects a reasonable remedy for the loss Mr M and Ms Y experienced when the maturity funds were delayed, so I won't be asking Prudential to do anything else in this regard.

Mr M and Ms Y made a number of telephone calls to Prudential to try and resolve the delay. They say that although the calls only lasted a short time, they had to wait for long periods to get through to the right department. Prudential have accepted that at the time they were had experiencing issues that impacted their ability to deal with enquiries as quickly as they should have. In addition to an apology, Prudential paid Mr M and Ms Y £300 for the distress and inconvenience the poor service caused them. As Prudential accepts that their poor service caused some distress and inconvenience to Mr M and Ms Y, I will consider whether the payment of £300 Prudential is a fair and reasonable remedy to resolve the complaint.

We're all inconvenienced at times in our day-to-day lives – and it's not unusual to experience a certain level of frustration and minor annoyance when dealing with financial businesses. But for us to make an award we'd need to see that the impact of a business's mistake was more than what someone would expect to experience in everyday life. In this case I'm satisfied it was. Mr M and Ms Y made a number of calls to try and resolve the delay to the maturity payment, and Prudential accepts they provided a poor service when dealing with these calls. In other words, Mr M and Ms Y were being pro-active in trying to sort things out but Prudential let them down.

When considering a reasonable remedy, I take into account the impact on Mr M and Ms Y. I also take into account the guidance we provide for consumers and businesses on our website: [What we take into account](#)

In this case, Prudential paid Mr M and Ms Y £300, which our guidance says might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment, or loss of expectation. In my opinion, this doesn't take into account that the impact of the poor service caused Mr M and Ms Y considerable distress and significant inconvenience and disruption that needed a lot of extra time and effort to sort out. And this impact lasted over several months, not weeks. Taking this into account, and in line with our guidance, I've decided that to resolve the complaint, Prudential should pay Mr M and Ms Y an additional £200.

I understand Mr M and Ms Y will be disappointed. They strongly believe any award should reflect that Prudential's poor service caused them substantial distress, upset and worry. And they feel there was a serious disruption to their daily life over a sustained period. Although I haven't seen any evidence that Mr M and Ms Y suffered a serious disruption to their daily life – for example, the delay meant they had to make alternative arrangements or

change any plans they had - I do believe they suffered considerable substantial distress and significant inconvenience and disruption over several months.

In his response to our Investigator, Mr M says that he still doesn't know why Prudential didn't pay the funds into the account from which the premiums had been paid. There is correspondence between Mr M and his accountant, and Prudential, dealing with this issue. It seems that the bank account they wanted to pay the funds into was in the name of Mr M, but when Mr M and Ms Y completed the maturity form, they used a different initial to the one on the account. This is what started the process of Prudential requesting additional verification for where the payment was to be sent. Further documents provided by Mr M were also in a name with a different initial. Regardless of this, my decision takes into account that Prudential should have provided a better service than they did to resolve the issue.

My final decision

For the reasons provided above, I've decided that The Prudential Assurance Company Limited should pay Mr M and Ms Y and additional £200 to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms Y to accept or reject my decision before 23 May 2025.

Paul Lawton
Ombudsman