

## The complaint

Mr B complains that The Prudential Assurance Company Limited (*'Prudential'*) failed to pay him the maturity value it originally promised him on 28 November 2023 for his endowment savings policy. Instead it has paid a maturity value which was over £17,000 lower. To resolve his complaint, Mr B wants Prudential to pay out the original sum quoted to him.

## What happened

In April 2023, Mr B called Prudential to ask for information about the surrender value of his policy, which was due to mature on 1 December 2023. Prudential told him that the guaranteed minimum payment was £18,494.78. It also explained that final bonuses were not guaranteed. However, a hypothetical payment (of death benefit) including bonuses at that date in April 2023 would have been £30,790.09.

Prudential also informed Mr B that it would write to him in advance of the maturity date, to confirm a maturity value. Accordingly, it wrote to Mr B on 12 October 2023 to confirm that value was £30,790.09 inclusive of the annual bonuses and the final bonus – and this would be issued to Mr B via cheque.

On 22 November 2023, Mr B called Prudential to ask if the payment could be made by bank transfer instead. Prudential agreed it could do this – but Mr B would need to complete a maturity claim form via post, with his relevant bank details. However, Mr B did not undergo further data protection steps with Prudential – so the call was not completed.

On 28 November 2023, Prudential wrote to Mr B to inform him it had sent a maturity cheque by separate cover, and the value of the cheque was £48,458.18.

On 29 November 2023, Prudential sent Mr B a further letter to explain the previous day's letter was issued in error. It included a maturity claim form with a breakdown of the final maturity value including bonuses – which totalled £30,790.09. Mr B says he never received that letter.

On 6 December 2023, Prudential informed Mr B that it had sent a payment of £30,790.09 to his bank account, as he required.

On 11 December 2023, a maturity value of £30,790.09 was paid to Mr B by bank transfer. He called Prudential to query the amount as he was unhappy that he had been underpaid.

On 18 December 2023, Prudential explained that it had made an error – but its letter of 29 November 2023 made clear that it had wrongly written to Mr B and the correct maturity value had been paid to him. It did accept its mistake was upsetting for Mr B, and accordingly it issued him with a £150 cheque on 22 December 2023, to account for the impact of its error.

Mr B thereafter complained. He said that he'd been promised a maturity value of £48,458.18 and he was shocked to discover the shortfall – he felt Prudential owed him the balance.

On 22 January 2024, Prudential rejected the complaint. It said it had quickly sought to manage Mr B's expectations in issuing a correction letter to him. It did not agree it should pay him the incorrect value and therefore could not uphold the complaint.

Mr B remained unhappy and he lodged a complaint with this service. One of our investigators then reviewed the complaint, but she didn't think it should succeed.

Whilst she appreciated Mr B had said his expectations had been raised, she noted that Prudential had corrected its error promptly. And she was satisfied that it had paid the correct maturity value for the policy. To direct Prudential to pay the higher sum would not be a fair response now - because Mr B would be gaining unreasonably from misinformation. Our investigator was satisfied overall that Mr B wasn't entitled to the higher – misquoted - value.

Mr B asked for his complaint to be referred to an ombudsman. He set out that:

- His position on the complaint remained unchanged.
- He received a letter which quoted him a maturity value of over £48,000.
- He took that valuation in good faith, since customers aren't privy to the internal calculations of final values and are reliant on Prudential to explain the amount.
- It was only after he called Prudential with his concerns that he later received a letter explaining there had been an error.
- He feels that the cheque Prudential paid him for £150 was to fob him off.
- In any event, he did not cash that cheque and he assumes it has now expired.
- The difference in money is significant for him.
- He firmly believes that Prudential should meet him halfway, as a minimum.

Prudential had no other comments to make. The complaint has now been passed to me.

### **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.

My remit is to make independent findings on what I believe to be fair and reasonable to both parties in the circumstances; this does not follow a prescribed format or require chronological assessment of every incident in the complaint history. Instead, I will set out my reasons for my findings on what I consider to be the central issues in this complaint, based on the evidence before me.

In reaching my decision, I will take into account relevant law and regulations, regulator's rules, guidance, standards and codes of practice, along with what I consider to have been good industry practice at the relevant time. And where the evidence is incomplete, inconclusive or contradictory, I'll make conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence before me and the wider surrounding circumstances.

Having looked carefully at the information from both parties, I agree with the outcome reached by our investigator and with her reasons for concluding that the substantive complaint cannot be upheld. I will, however, make a direction for the sum Prudential has already agreed to pay Mr B to resolve this complaint – because this has never been paid to him. I'll explain that in the section entitled 'Putting things right' below.

I appreciate that Mr B feels misled by the letter he received on 28 November 2023 in which a different, erroneous sum was quoted to him. He says he placed reliance on this letter, and

the letter issued to him the following day was never received.

I note that Prudential agrees and accepts it made that mistake. I have also not seen any objective evidence that Mr B believes this different quote wasn't a mistake either. That notwithstanding, I realise that Mr B says he was not shown calculations on the policy at the time of the incorrectly issued letter of 28 November 2023.

However, I am mindful that Mr B called Prudential some seven months earlier for a quote on the likely maturity value. That couldn't be confirmed beyond the guaranteed amount, but Prudential did provide a calculation of a maturity value – and that was the same £30,790.09 that he was eventually paid. I've not seen any suggestion that Mr B did not receive this letter.

Furthermore, Prudential wrote to Mr B again on 12 October 2023 – ahead of the maturity date, as promised. By this time it set out that the total maturity value was £30,790.09 – as well as confirming the amounts of the regular bonus and final bonus that had been added to the sum assured to reach that figure. Prudential told Mr B in that letter that it would send a maturity cheque to him, at the same address it had written to.

Again, I've not seen any suggestion that Mr B did not receive this letter. I am persuaded that Mr B most likely received the October 2023 letter from Prudential, given he went on to place the call in November 2023 to ask for a bank transfer payment, rather than cheque.

I recognise that the 28 November 2023 letter was wrong. However, it was followed by the letter the following day where Prudential promptly corrected the mistake. I note that this letter was sent to the same address as all of the other letters; and the vast majority of correctly addressed postal correspondence is correctly received.

I've no reason to doubt Mr B; he called Prudential after receiving the maturity value to express his shock at it being the lower of the two quoted sums. However, I believe Mr B recognises – or ought reasonably to do so – that the misquoted 'claim total' amount was a system error (with no calculation), given that on all other correspondence, the total maturity value was the total calculation of the bonuses and the policy's sum assured.

Notwithstanding the upset that Mr B has been caused by the mistake, I cannot agree with him that the incorrect value should be paid to him now, simply because Prudential sent him one incorrect letter with the higher £48,458.18 figure. Prudential acted as promptly as possible in rectifying that mistake. Further, I believe Mr B should have reasonably expected the lower (and correct) maturity value of £30,790.09 would be paid; it had been set out to him on several occasions – and he received at least two written confirmations of the same.

It follows that I agree with our investigator that I do not believe that Prudential needs to do anything else to resolve the complaint in respect of the maturity value. Our investigator rightly explained that the right resolution to an erroneously quoted maturity value isn't to pay the mistaken amount. I must consider the position Mr B would be in if Prudential hadn't done anything wrong. That position would be that the correct – lower – maturity value was paid.

What this service does is consider if a business has treated a complainant unfairly because of actions or inactions. And if it has done so, we then go on to consider what ought to be done to put the mistake(s) right. In this case, that was to pay Mr B the correct maturity value, and to compensate him for the loss of expectation he had suffered when he discovered that the original quoted value was wrong.

## **Putting things right**

What is clear from the evidence is that Prudential's actions were misleading and confusing for Mr B because he placed reliance on the 28 November 2023 letter regarding his maturity value and he did not seek to question what he was previously told about the policy – even if he was able to recall it. This created a loss of expectation when the correct maturity amount was paid three weeks later. I agree that some compensation was due for that error, and Prudential has already sent Mr B a cheque for £150 – but he did not cash it.

As well as putting right any financial losses in a complaint (though there are none in this circumstance), we also consider the emotional or practical impact of any errors on a complainant – in this case, Mr B. In doing so, we do not fine or punish businesses; we are not a regulator, that duty falls to the Financial Conduct Authority.

It may be helpful for Mr B to review to the guidance available on our website around the amounts and types of awards made in instances of upset, trouble, inconvenience and distress caused by businesses in the complaints we see at this service.

Taking into account the impact of the misinformation about the maturity value, I believe the payment of £150 was reasonable in the circumstances where one instance of stating an incorrect maturity value caused upset and concern for Mr B. The misconception – though rectified very promptly - had a notable short-term impact on Mr B. The amount of £150 is an amount I believe appropriate for an error of this nature. Since Mr B has not had the opportunity to receive this payment, I will make a further direction for it to be paid now.

## **My final decision**

I uphold this complaint, in part. I believe The Prudential Assurance Company Limited has paid Mr B the correct maturity value for his endowment savings policy in December 2023. However, it upheld Mr B's complaint because its actions in quoting an incorrect maturity value on one occasion caused Mr B upset and worry.

Prudential has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that should The Prudential Assurance Company Limited should pay Mr B £150.

I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 February 2025.

Jo Storey  
**Ombudsman**