

## **The complaint**

The estate of Mr C ('the estate') is represented by its Executor ('E'). Mr C sadly passed away in 2023.

E refers to life assurance policies, an endowment policy and a pension product associated with an annuity plan, all of which belonged to Mr C and were discovered by the estate after his passing. They were also all provided by Scottish Amicable, which The Prudential Assurance Company Limited ('Prudential') acquired in 1997. E says it is more likely (than not) that financial value remains in these policies and pension/annuity, to which the estate is entitled. The estate's complaint is mainly that Prudential has frustrated its efforts to determine and recover that value. It also believes that the pension/annuity possibly resulted from unsuitable advice from Prudential to Mr C, so it could have been mis-sold to him.

This decision is about the life assurance and endowment policies. The pension and associated annuity have been separated into a different complaint, and they have been addressed in the decision for that complaint. Prudential disputes the complaint's substance. However, separately, it has offered E compensation and an apology for service delivery issues related to the complaint.

## **What happened**

For background, the following are the policies and pension/annuity relevant to the estate's overall complaint –

- Two term life assurance policies initiated in late 1976; the end of term for both policies was 28 November 1986.
- An endowment policy; evidence on its details at inception are limited; but there is evidence of bonus declarations for the policy in 1986, 1987, 1988, 1991 and 1993; there is also evidence that the policy was traded/sold by Mr C, in 1995, to a third-party ('the third-party'); the sale related documentation confirms the sale/assignment of the policy to the third-party; it states the policy number, it is signed by Mr C, it is dated 19 September 1995 and it includes a copy of the Notice of Assignment later sent by the third-party to Scottish Amicable confirming that the assignment was completed on 19 December 1995.
- A pension policy that Prudential says was cashed in around May 2005, partly for a lump sum cash payment and partly to fund an annuity that began on 1 May 2005; the estate believes, differently, that the annuity was possibly funded by the encashment of one of the life assurance and/or endowment policies; based on the schedule of annuity payments shared by Prudential, payments to Mr C were made between 2005 and 2023.

The estate has stressed that an outcome from our service that does not uphold the estate's complaint must thoroughly exhaust consideration and determination of all relevant regulatory and legal responsibilities binding on Prudential in the matter, and that it was/is required to

discharge. It believes that a non-uphold outcome that does not include this will be inherently flawed.

One of our investigators looked into the case as a whole, over the two separated complaints. In terms of the life assurance and endowment policies, he concluded that the complaint should not be upheld.

The investigator's main findings were –

- The original policy schedules for the life assurance policies are available and they serve as sufficient evidence on the policies' details.
- The schedules confirm that both policies expired on 28 November 1986, so they expired a significant amount of time before Mr C passed away.
- Prudential held no further liability under the policies after they expired, and there is nothing further to be paid out from them.
- Both were term life policies, so they provided cover for a specific amount of time, up to their expiration date.
- The endowment policy was traded by Mr C in 1995, thereafter it had nothing to do with him. It follows that upon his passing in 2023, almost 30 years after it was traded, his estate has no claim against the policy.
- Part of the estate's overall complaint is about Prudential's complaint handling process, but we do not have jurisdiction to address a firm's complaint handling process.
- Another part of its complaint relates to E's experiences, acting on behalf of the estate, of Prudential's service and Prudential's compensation payments to him in recognition of the inconvenience caused by service issues. We cannot address this aspect. As stated on our website –

*"Complaints made on the behalf of someone else*

*We don't normally pay compensation to someone else complaining on your behalf, for example, a family member or solicitor. We also can't compensate executors personally, as they only represent an estate."*

The estate disagreed with this outcome and asked for an Ombudsman's decision.

In the main – it disputes the investigator's findings on the policies; it believes the notion that they are no longer active or that they hold no value belonging to the estate has yet to be properly proven; and it believes our service has conducted our investigation with bias in favour of Prudential, so it expects the Ombudsman's decision to display the same bias.

### **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.

The estate's complaint requires a minimum set of facts to be established, in order to create grounds on which any allegations against Prudential can be considered.

I have taken on board E's demand for treatment of Prudential's regulatory and legal responsibilities in the complaint issues. Ordinarily, we would take such an approach, and I do not say or suggest that reference to Prudential's regulatory and/or legal responsibilities is irrelevant to a complaint about its regulated activities. However, the estate should appreciate that the precise nature of the wrongdoing(s) Prudential is alleged to have committed must first be clear, before reference can be made to any relevant regulatory and/or legal responsibilities.

As matters presently stand, the specific wrongdoing(s) Prudential is alleged to have committed in relation to the life assurance and endowment policies is not clear.

The complaint seems to be much more about the estate's inability to be satisfied on whether (or not) the policies remain active and/or whether (or not) the policies hold any value belonging to it, than it is about alleging a specific wrongdoing. Therefore, it is equally unclear precisely which, if any, regulatory and/or legal responsibilities to cite and/or address in dealing with the complaint. We are not the industry regulator. If E and the estate have wider or general concerns about Prudential's conduct in relation to the policies and in comparison to what they consider its conduct ought to have been (as defined by regulations and/or laws), they can identify the regulations and/or laws they deem relevant and present their concerns to the regulator.

In dealing with the complaint, I need to be clear on the allegation(s) before I am in a position to refer to and apply regulations and laws relevant to it. The estate believes there might be value in the life assurance and endowment policies that it has been entitled to since Mr C passed away. If this is to be viewed as a suggestion, at least, that Prudential is possibly withholding financial value in the policies that belongs to the estate, a minimum requirement is evidence that the policies were active at the time of Mr C's passing and that they were assets in his estate at the time. If that was the case, the potential argument that they remained assets in the estate thereafter could then be made.

Neither of the life assurance policies was active at the time of his passing. As explained to the estate, by both Prudential and the investigator, they were term based policies with a starting point and expiration point. I summarised both points in the background above. They shared the same expiration date in 1986. Thereafter, they were no longer active, and they no longer held any benefits for Mr C, so they were also no longer *assets* for him. He passed away around 37 years after they expired. They were not a part of his estate at the time. Overall, and for all these reasons, it is reasonable to conclude that the estate has no claim against these policies, that it has no grounds to allege that Prudential has done anything wrong with regards to them, and no grounds to say Prudential has deprived the estate of any value in them.

Similar findings apply to the endowment policy. Evidence on all its details at inception is unavailable, but, as addressed above, there is documentation confirming Mr C sold/traded it to the third-party in 1995.

The documentation includes written confirmation, by his signature, of his agreements – to sell the policy to the third-party on 19 September 1995; to authorise Scottish Amicable to release information about the policy to the third-party; and to instruct Scottish Amicable to “... *pay all future commissions in respect of ...*” the policy to the third-party. It also includes confirmation of his ‘absolute assignment’ of the policy to the third-party and the third-party's notice to Scottish Amicable of the same.

Therefore, at the point of his passing, almost 30 years later, the endowment policy no longer belonged to him and was not an asset in his estate. Which means, the estate has no claim against it, no grounds to allege that Prudential has done anything wrong in relation to it and no grounds to say Prudential has deprived the estate of any value in it.

The estate appears to retain the position that grounds for the above conclusions (on the three policies) have not been fully or properly made out, or have not been made out to its satisfaction. Overall and on balance, I do not consider that any more than the grounds set out above is needed to support the conclusions. In straightforward terms, the estate does not have a right to assets that Mr C did not have at the point of his passing, none of the three policies were his assets at that point, so the estate also cannot reasonably allege that Prudential has done anything wrong in terms of obstruction of an entitlement.

For all the above reasons, I do not uphold the estate's complaint.

Prudential has conceded some things it did wrong, specifically in relation to its complaint handling and its service to E and the estate.

I can determine complaints about *regulated activities*. Complaint handling, in isolation, is not a regulated activity. It is also not an ancillary activity connected to the conduct of a regulated activity. Sometimes a complaint to a firm and any alleged mishandling of it might form a part of the substantive case. If so, addressing the firm's complaint handling might then be a necessary part of determining the overall complaint. The estate's complaint is not that type of case. The life assurance and endowment policy issues pre-date the complaint and they are wholly distinct from Prudential's complaint handling process. The latter does not form a part of the former. For these reasons, I have not considered, and I make no finding on, Prudential's complaint handling.

With regards to the level of service E and the estate faced in their dealings with Prudential, I echo and endorse what the investigator said, as I mentioned above. In some case, where the complainant is an individual and depending on the circumstances, we can consider compensation awards for distress and inconvenience cause to the complainant. However, this does not apply in the present case as the complainant is essentially an executor representing an estate and we do not consider or make such awards to representatives.

### **My final decision**

I do not uphold the estate of Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr C to accept or reject my decision before 26 July 2025.

Roy Kuku  
**Ombudsman**