

The complaint

The trustees for the S Trust ('the trust') complain that The Prudential Assurance Company Limited ('Prudential') gave poor service when they asked it to pay out an investment plan.

What happened

The trust held an investment plan with Prudential. In July 2024 a representative for the trustees sent Prudential a completed form requesting the investment plan be paid out.

During August, September and October 2024 numerous emails and phone calls passed between Prudential and the trustees' representative. Amongst other things Prudential said there was a discrepancy in the name used for the settlor of the trust on different documents. The name used in the payment request was different from the name in Prudential's records. The trustees' representative provided various pieces of information to prudential including identification and proof of address for the trust's settlor. On 2 October 2024 the representative provided a copy of a marriage certificate to resolve the name discrepancy. Prudential subsequently said that although the name discrepancy had been resolved Prudential now needed fresh instructions from the trustees because the form they had submitted was out of date.

During this time the trustees, via their representative, complained to Prudential about how it was handling their request to have the plan paid out. They complained on 26 August 2024 and Prudential sent a response on 6 September 2024. In its response Prudential apologised for not providing the level of service it should've and said it would review the case in 30 days and, if the trustees proceeded with their request, it would calculate any financial loss caused by any delay on the part of Prudential. It also said it would compensate the trustees for distress and inconvenience after the name discrepancy had been resolved. And it said the trustees could provide evidence if they felt the compensation didn't sufficiently reflect the poor service or if Prudential had caused them a financial loss, and they could refer their complaint to this service if they weren't happy with Prudential's final response.

On 7 November 2024 Prudential paid out the money from the claim. It wrote to the representative saying the money had been transferred to the nominated bank account and it included an interest payment (less tax) to reflect the period the claim had been outstanding.

On 13 February 2025 Prudential issued a letter saying it had considered the trustees' further concerns about continued service issues, complaint handling and their request to be sent call recordings. In summary it said it had assumed its poor service had contributed to a delay. And after the name discrepancy was resolved it should've sought to pay the claim using the original payment request form. It said it had requested a deed because it didn't have one on file, but had wrongly requested it again after it had been provided. It also said it should've made clearer that the evidence it required to resolve the name discrepancy was in addition to information already provided. Overall Prudential thought it should've been able to settle the claim by 28 August 2024. And it now sent compensation for the financial loss suffered during the delay from 28 August to 7 November 2024.

Prudential sent cheques to the trustees for £150 each. The representative returned the cheques saying the compensation was insufficient and complaining that Prudential should've sent them to the representative, not direct to the trustees.

The trustees referred their complaint to this service. They said Prudential had closed their complaint three times, caused delays, failed to provide information and wrongly sent information to the trustees instead of to the representative. They said these things had caused them to incur legal costs because they had to pay their representative to continue dealing with the issues. They said the legal costs they wanted Prudential to reimburse them for were the costs of pursuing their complaint, not the costs involved in having the claim paid.

On 21 May 2025 Prudential wrote to the representative responding to further concerns. It apologised for sending correspondence direct to the trustees instead of to the representative. It acknowledged its response of 6 September 2024 had lacked detail, but said its letter of 13 February 2025 had explained things more fully and addressed compensation for financial loss and distress and inconvenience. Prudential said it would send increased compensation of £300 for each trustee and said it would review any evidence of legal fees incurred due to Prudential's shortcomings.

One of our Investigators looked into the trustees' complaint. He didn't think Prudential needed to do anything further to put things right. In summary he said the following:

- The trustees had complained about the way Prudential had handled their complaint. But the activity of complaint handling was beyond the remit of this service. So the investigator hadn't looked into how Prudential had handled the trustees' complaint and he made no conclusions or recommendations about that. But he noted that the trustees could've made the complaint themselves if they'd wanted to. They could've chased for a response if necessary. Prudential was allowed up to eight weeks to respond to a complaint. And if the trustees didn't receive a response in that time or if they received a response that didn't satisfy them they could refer their complaint to this service free of charge.
- The investigator had looked into how Prudential had progressed the trustees' claim for the investment plan to be paid out, and whether Prudential had done enough to put right any failings in that regard.
- The investigator hadn't received any evidence to show Prudential should compensate the trustees for any additional legal fees paid to progress the claim itself (as opposed to any fees paid to progress the complaint).
- Prudential said it received the claim form on 17 July 2024 and, had it processed the claim correctly, it ought to have been able to pay the claim on 28 August 2024.
- Prudential didn't settle the claim until 7 November 2024. But it had calculated the financial loss that caused the trustees and sent reimbursement for that.
- The investigator didn't agree that any shortcomings by Prudential had required a trustee to travel to the representative's office to sign documents. He said documents could've been sent by post, using an express service if they were needed quickly.
- Prudential's compensation of £300 to each trustee was a fair and reasonable amount for distress and inconvenience caused by errors made by Prudential in processing the claim.

The trustees didn't agree with the investigator's view. They described the process they'd been through making their complaint to Prudential and the failings they perceived in Prudential's handling of their complaint. They also said, in summary, the following:

- On 19 September 2024 Prudential had asked for information to resolve the name discrepancy. But the representative had provided identification documentation on 26 August 2024.
- On 8 and 21 October 2024 Prudential had asked for a new payment instruction because the original was more than 60 days old. But the representative had provided the necessary information in August 2024 and the delay was caused by Prudential.
- On 5 November 2024 Prudential had wrongly asked for a payment instructions signed by the former trustees.
- Prudential calculated loss using the dates 28 August and 7 November but the actual loss was greater than that because the complaint wasn't resolved and the cheque wasn't received. Prudential should calculate loss suffered between 28 August 2024 and 21 May 2025.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

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.

Having done so, I'm not upholding the complaint, for the same reasons given by the investigator on this complaint. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

It's important to be clear first of all that my decision here is about the complaint the trustees made about Prudential's handling of their claim to have the investment plan paid out. It's not about the way Prudential handled their complaint. As our investigator said, complaint handling is generally not an activity that's covered by this service. The rules that set out what complaints are in our remit specify the activities about which we can investigate complaints. Complaint handling as a standalone activity isn't one of those activities. So I'm not making a finding about how Prudential handled this complaint and I won't award any compensation in relation to that.

Prudential acknowledged it delayed processing the trustees' claim to have the trust's investment plan paid out. In recognition of that Prudential paid interest to compensate the trust for not being paid the money from the plan when it should have. That interest compensated the trust for losing the use of the money for a period of time. And so it put the trust as close as possible to the financial position it would've been in if Prudential hadn't unfairly caused delay. So I'm satisfied that although Prudential provided a deficient service in its handling of the claim, it's fairly and reasonably put right the financial loss that arose from that.

Prudential also paid £300 to each trustee for the distress and inconvenience it caused. I'm satisfied that's sufficient recognition of the impact Prudential's shortcomings had on the trustees.

I'm aware the trustees or their representative have returned some or all of the cheques sent by Prudential. If they haven't received any of the moneys offered by Prudential they can request Prudential reissue the payments and Prudential should reissue any cheques that were returned.

In their response to the investigator's view the trustees commented on the way Prudential handled their complaint. As I've said, I can't make any finding on those particular points. They also commented on the Prudential having wrongly asked for information in September, October and November 2024 when the trustees' representative had already provided the information by 26 August 2024. Having considered this carefully, I'm satisfied Prudential has already acknowledged these failings and issued compensation to put them right. Prudential said it ought to have paid the claim on 28 August 2024. The evidence I've seen doesn't give me cause to say Prudential ought to have been able to pay the claim earlier than 28 August 2024. So I'm satisfied that the delay that resulted from Prudential's failings was from 28 August to 7 November 2024.

The trustees have said, via their representative, that their loss should be calculated as having occurred between 26 August 2024 and 21 May 2025. I understand they refer to May 2025 because that's the date Prudential sent a further response and compensation. But the financial loss I'm concerned with here is the loss caused by errors in Prudential's handling of their claim, not its handling of their complaint. The claim was settled on 7 November 2024 when the payout from the investment plan was made. So it's appropriate that compensation in respect of the claim should cover the period up until 7 November 2024, and not any longer. Losses said to have been suffered by the trustees after that date relate to the pursuit of their complaint and Prudential's handling of their complaint which is outside the scope of my role here.

So while I understand the trustees' frustration over the events they've complained about I don't find that the points they've raised indicate any failings that are additional to the ones Prudential has already acknowledged. And Prudential has issued compensation for the claim having remained unpaid from that date until 7 November 2024, and for the distress and inconvenience associated with that.

Taking into account that this service can't consider complaints that are about complaint handling as a standalone activity, I don't see that there were any failings by Prudential that haven't already been acknowledged. I understand the trustees aren't happy about the time it took Prudential to respond to all of the issues they raised. But the claim itself was paid out in November 2024 and the activity that occurred after that related to the resolution of the complaint rather than the payment of the claim.

For the reasons I've given here I'm not persuaded Prudential needs to do anything further to put things right in the particular circumstances of this complaint.

My final decision

For the reasons I've set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 17 October 2025.

Lucinda Puls
Ombudsman