

complaint

Ms C says The Prudential Assurance Company Limited did not update her address in 2011. As such, she did not receive policy lapse letters. Ms C took out a joint unit-linked whole of life policy with her former husband, Mr M. Ms C says she learned of Prudential's error when she called it to make a claim.

Ms C is also unhappy about the way Prudential has dealt with her claim. To resolve the complaint, Ms C wants to pay any missed premiums and have her claim met.

background

In October 2013, Mr M sadly passed away. Ms C contacted Prudential to make a claim under their Personal Security Plan in November 2013.

Prudential told Ms C the policy was no longer active. It explained the policy had ended in April 2013. It did so because the fund value had fallen since 2009. Since the charges for life cover could not be met, the policy lapsed. It told Ms C it had written to her and Mr M at that time.

Ms C said she had not received any correspondence. She also thought premiums were still being paid. She explained she had since moved abroad; she and Mr M wrote to Prudential in 2011 when they moved.

However, Prudential said it had did not receive their letter. So, the claim could not be met.

Ms C raised a complaint. She gave Prudential a copy of the letter sent to it in 2011. Ms C confirmed she had redirection arrangements in place. Had she received Prudential's letters, she would have ensured the policy did not lapse. This is because they had a joint mortgage to protect. So Ms C believes insurers should not simply end valuable life cover policies.

She also explained how Prudential failed to handle her complaint reasonably, or treat her claim call with any compassion.

Prudential did not uphold the complaint. It said it had no record of Ms C and Mr M's letter of 2011. As such, letters were sent to their original address. It noted Ms C ought to have expected to be sent annual updates and policy reviews.

Also, during her call to Prudential, Ms C gave it her previous address. She said she had recently moved abroad, and was awaiting a change of address form from Mr M.

Prudential apologised to Ms C for the clerical issues it caused. It also agreed the advisor who took Ms C's call could have been more empathetic. It offered Ms C £200 for the poor handling of the matter during an upsetting time and £50 for any telephone costs she incurred.

Ms C was not happy with Prudential's reply. She brought her complaint to this service, where an adjudicator partially upheld the complaint.

The adjudicator found no evidence to show the letter was sent. Nor could she conclude it was received by Prudential. Given that, she could not find it at fault for not updating Ms C's address.

Ms C had changed address again since 2011, and had post forwarded to her new address. The adjudicator felt it would have been fair for Ms C to contact Prudential to follow up the address change, in the absence of any letters being received since 2011.

But, our adjudicator did feel Prudential should have treated Ms C better in its communications of November 2013. She suggested Prudential pay a further £250 to reflect the upset caused to Ms C.

Prudential agreed to pay the £250.

Ms C disagreed with our adjudicator. She said again that she did send the letter. Prudential's failure to update its records has caused Ms C to lose the policy's sum assured. Ms C believes the least it could do is return the policy premiums.

Ms C also noted she had a duty to ensure Prudential had her current address. But, had it written to her following the change of address, she would have received letters and the policy would not have lapsed.

It is irrelevant that Ms C had moved within a short time of being overseas, since she set up redirection measures.

Ms C has said how she was distressed during the call with Prudential, so this is why she said she had just moved abroad. She also meant that she was trying to get Mr M to agree to a change of address overseas, not from before they moved abroad. Having moved house a lot, Ms C says no company she has told of address changes has written to her to note a change.

In Ms C's view, the content of the call of November 2013 should have no bearing on the outcome of the complaint.

The complaint has been passed to me to review afresh.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I appreciate the upset and frustration Ms C felt at discovering hers and Mr M's policy was no longer in force when she called Prudential. I will go on to address its communication later in this decision. But, in terms of looking at whether Prudential acted fairly, I have to assess if I think it did anything wrong.

I do not believe Prudential acted unreasonably in the circumstances. I accept Ms C has provided a copy of a letter she sent to Prudential in April 2011. Though I may agree it was sent, I do not believe it was received. This is because several further letters were sent after this date until the policy lapsed in 2013 to the old address. If Prudential knew of the new address, I think it would have sent letters to the correct place.

I say this because Ms C and Mr M changed their address previously in 2006 to a Spanish address. At that time, Prudential replied to acknowledge their letter. I think it would do the same had it received the 2011 letter. Further, the address must have been amended in the

interim years, since the address Ms C and Mr M changed from in 2011 was not the Spanish address, but in fact a British crown dependency address.

So, Prudential could not have known to write to Ms C or Mr M elsewhere. I agree with our adjudicator where she said the onus is on a consumer to ensure he or she is contactable. Ms C and Mr M went on to change address a further three times between them up to 2013. I understand redirection systems were in place for Ms C, but this did not mean Mr M would know of changes to the policy such as reviews, the fall in unit value, or increases to premiums.

I cannot conclude Prudential is at fault for Ms C and Mr M not receiving the letters setting out the decrease in the fund value. As it was entitled to lapse the policy in line with the terms, I do not find it acted unfairly.

I do, however, agree Prudential ought to have provided better customer service to Ms C. It is clear she was very distressed when she called it in 2011. The way in which the call and later letter were given did not display any degree of sympathy for Ms C's loss. Nor did it recognise the concern she felt at learning of the policy lapse. I feel a further £250 is a fair offer.

my final decision

My final decision is that this complaint should be upheld in part.

I direct The Prudential Assurance Company Limited to pay Ms C £250 as recognition of its poor customer service to her in November 2011.

I make no further award.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms C to accept or reject my decision before 8 June 2015.

Jo Storey
ombudsman