

## **complaint**

Mrs K's complaint relates to a bond originally taken out in the early 1970s with M&G Life Assurance which later became part of The Prudential Assurance Company Limited. Mrs K recently asked about the value of the bond. Prudential told her that the value of the bond had been paid to her in 2002. Mrs K says she did not receive the money, did not request the surrender, still has the bond certificate and has not signed any form of indemnity form to request surrender without the original bond certificate.

Mrs K therefore wants to know how much the policy should be worth and be given appropriate options for the bond, and compensation for the inconvenience she has been caused.

## **background**

Mrs K took out the bond with M&G Life Assurance, in 1972. The bond involved a lump sum payment and had a 15-year term. At the end of the term the bond-holder was given the option of extending the bond for a further five years. Mrs K chose that option. She took the same option in 1992 and 1997, which extended the bond to 2002.

In 2012 Mrs K asked M&G for the current value of her bond. It wrote back to give information about a different holding she had with it. When Mrs K pointed this out M&G explained that Prudential deals with M&G Life policies.

Mrs K contacted Prudential and it explained that when the servicing of M&G Life policies was taken over by its Scottish Amicable subsidiary the decision was made not to further extend the bonds. Prudential says that when the bond matured in 2002 it issued a cheque for the maturity proceeds. Prudential said it no longer had copies of the cheques or other information except that its records show that the cheque was sent to what is still Mrs K's address.

One of our adjudicators considered Mr K's complaint. The adjudicator considered that there was insufficient evidence to uphold the complaint. While there is little evidence after all this time, the evidence showed that a cheque was sent to Mrs K. She explained that while Prudential has no direct evidence that the cheque had been cashed, it had confirmed that it also had no record of the cheque having been cancelled or returned.

Mrs K did not agree with the adjudicator and asked for the matter to be referred to an ombudsman.

## **my findings**

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

Mrs K's evidence is that she did not receive the cheque. Nor did she request the cheque. She therefore considers that the bond should still be in place.

Other matters that tend to support Mrs K include the point that she has produced copies of documents from M&G Life relating to the bond that includes the bond certificate and documents relating to the extension of the term in 1987, 1992, and 1997. By contrast, she

has no documents from M&G Life, Scottish Amicable or Prudential relating to the surrender or maturity of the policy in 2002. This would tend to support Mrs K's point that she received nothing. As does the fact that Mrs K contacted M&G about the policy in 2012 rather than Scottish Amicable or Prudential.

The fact that Mrs K still holds the bond certificate and her point that she did not sign any form of indemnity are, however, consistent with Prudential's explanation of events. It says it unilaterally decided not to allow further extensions and instead issued a cheque for the surrender proceeds on maturity in 2002. It has not said it asked for the original bond certificate or an indemnity in return. This may be unusual but I do not consider it so unusual as to be unlikely.

Further, I have no reason to doubt what Prudential says when it says it sent the cheque - indeed, there is some evidence to show that it did - and has no record that it was not cashed.

It therefore does seem likely that the cheque was issue and cashed.

Mrs K says she did not cash the cheque. I do note that point. I do however also note that according to Mrs K's own version of events:

- she had a policy that was due to mature in 2002
- on three previous occasions she had been given, and had exercised, the option to extend for a further five years
- but does not seem to have been given and exercised that option in 2002
- and she did not query the lack of any contact in 2002 at that time or in 2007 when the next five-year anniversary came around

This lack of activity in relation to the policy in 2002 and 2007 does not assist Mrs K's compliant and is circumstantial evidence in support of Prudential's explanation. It tends to suggest that Mrs K was content with things, as she had received the cheque and knew that the policy had matured. Mrs K may then have forgotten all about the policy until recently going through her papers and finding the bond certificate and other papers.

The other possibility is that Mrs K may have forgotten about the policy by 2002, and so had forgotten to expect to hear from M&G Life in 2002 and 2007. But if Mrs K's recollection of the bond was no longer clear in 2002, I cannot reasonably say that Mrs K did not cash the cheque simply because she cannot recollect having done so in 2002.

While I do accept that Mrs K has no recollection of receiving the maturity cheque in 2002 I am afraid that after all this time I cannot say that Mrs K has suffered a loss, or if she has, that it was due to a fault on the part of Prudential.

### **my final decision**

For the reasons I have given, I do not uphold Mrs K's complaint.

Philip Roberts  
**ombudsman**