

complaint

Mr M has complained that The Prudential Assurance Company Limited didn't inform him that his policy was reviewable and that it failed to carry out his instructions.

background

In 1989 Mr M and his then wife took out a whole-of-life policy with a business which is now owned by Prudential. He did so following the advice of an independent financial adviser (IFA). The business conducted reviews after 10 years and each five years thereafter. It says it sent Mr M notification of those reviews, but he says he didn't receive them.

Mr M also says he asked that his ex-wife be removed from the policy, but that the business gave him conflicting information about whether this had been carried out. He was also concerned that he was paying premiums for his ex-wife when her life was not covered.

The business says that its records show that Mr M asked that his wife be removed from the policy in 1997, but subsequently he instructed it leave the policy on both lives as it was being assigned into his name only. It says that in 2012 Mr M contacted the business about this matter again and the business explained that it no longer offered the option of altering lives assured on the policy. It says it confirmed that this option had never been included in its terms and conditions.

Mr M's complaint was investigated by one of our adjudicators who did not recommend that it be upheld. The adjudicator was of the opinion that the IFA was responsible for explaining how the policy reviews operated. The adjudicator also considered that Prudential had administered the policy in line with the terms and conditions.

Mr M disagreed with the adjudicator's opinion and requested that an ombudsman review his complaint and issue a final decision.

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 have no wish to do a disservice to Mr M who has made his case at some length, but my role is limited to considering the specific complaints relating to the administration of the policy by Prudential. I cannot consider all the wide ranging issues he has raised. Furthermore, the Financial Ombudsman Service does not normally become involved in disputes about the legitimate exercise of commercial judgement, including the performance of funds, and I have seen nothing to suggest that we should do so on this occasion.

Additionally, I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

As Prudential didn't provide advice to Mr M regarding the sale of the policy the only issue I have to address is did it administer that policy in line with its terms and conditions and did it do so fairly and reasonably. Mr M has two complaints in this regard; firstly that the business didn't tell him the policy was reviewable and didn't send him notices at the review dates.

Secondly he complains that it did not deal with the removal of his ex-wife's name from the policy properly.

I have reviewed the original documentation and this makes it clear that the policy was reviewable. I would add that it was the responsibility of the IFA to bring the reviewable nature of the policy to Mr M's attention. The policy states that: "*Not less than one month before each review date the Company shall review the amount of Premium payable under the Policy, by reference to the Unit Value of the Policy, ... the age of the Life or Lives assured and the Benefits Assured and any Special Benefits provided by the Policy. The Company shall then notify the Assured of the minimum Regular Premium which it requires to be paid until the next following Review Date...*"

The company records show that reviews were carried out in 1999, 2004, 2009 and 2014. Mr M says that he did not receive notification of these. I sought further detail from the business regarding the issue of these statements and I am satisfied that it sent them to the correct address and it cannot be held responsible for their non-delivery. As such I can only conclude that the business informed him the policy was reviewable at the outset and sent him review letters at each review date. I appreciate that Mr M says he did not receive these review notifications, but I am satisfied they were sent correctly by the business.

Additionally, the IFA, and not the business, was responsible for ensuring the policy met Mr M's requirements and should have brought the reviewable nature of the policy to his attention. I cannot conclude that the business has done anything wrong in regard to the reviewable nature of the policy.

I now turn to the issue of the removal of his ex-wife from the policy. Mr M has provided a manuscript note from Mr M's ex-wife stating: "*I hereby confirm that the joint life cover on the above policy should now be transferred solely to Mr M and that I will have no further claim to the aforementioned policy*". This is undated but refers to a letter from the business dated 13 November 1996.

I have also reviewed the business's records and see that Mr M made a number of calls in late 1996 and early 1997 regarding the policy which show he was uncertain whether he and/or his ex-wife wanted the policy assigned or not. The business wrote to Mr M on 13 November 1996 in response to his letter of 28 October enclosing a Deed of Assignment to allow him and his ex-wife to assign the policy to his own name from joint names if required. Mr M and his ex-wife submitted a signed Deed of Assignment dated 3 December 1996 which assigned the policy to him. The business records also details a phone call from Mr M on 15 January which says "*Pol is to remain on joint life but single LA – Mr M also wants our confirmation of value as of date of assignment – and conf when premiums will be coming from his account*". These notes also record later on 15 January: "*Quotes done to send to client – letter saved on CGS – stat requested to see if PH's names changed or not.*" I see that the notes are headed "*User description: [Mr M] is now sole LA...*"

On 17 January the business wrote to Mr M in response to the submission of the deed and his subsequent phone call. It confirmed that the deed had been noted on its records on 17 January 1997. It says that the statements it will issue will show Mr M and Mrs M as policyholders due to the complex procedure involved in amending its computer records. It adds, "*...our records are clearly noted that you are a single policyholder*". Furthermore it confirms a reduced monthly premium will be sufficient to maintain the existing life cover.

It would appear, quite understandably, that in late 1996, early 1997 there was some uncertainty as to how Mr M and his ex-wife wished the policy to be treated. The final instruction given by Mr M on the matter was in the call dated 15 January and I am satisfied that the business acted in accordance with his wishes. This was confirmed in the letter of 17 January which stated that the policy had been assigned to Mr M.

Subsequent to the issue of the adjudicator's opinion Mr M has supplied recordings he made of more recent calls with Prudential and a financial advisory business which I have listened to. He says these demonstrate that Prudential says one thing and does another. While I appreciate the point he seeks to make it does not cause me to change my decision.

I would add that I appreciate the vigour that Mr M has shown in pursuit of his complaint and his concerns about the behaviour of the business and I recognise that he will be disappointed in my decision, but I cannot safely conclude that the business hasn't administered the policy incorrectly.

my final decision

My final decision is that I do not uphold this complaint.

Ivor Graham
ombudsman