

## **complaint**

Mrs H complains that The Prudential Assurance Company Limited ('Prudential') delayed payment to her of the maturity proceeds of a mortgage endowment policy.

## **background**

Mrs H's policy was due to mature in July 2013. Prudential received a letter from Mrs H's mortgage lender, which I will call 'B', saying that the proceeds should be paid to it – not to Mrs H. This letter suggested that the policy was assigned to B but that the original policy documentation and deed of assignment had been lost.

Following this, Prudential wrote to Mrs H on various occasions to ask her permission for the proceeds to be paid to B. It says that it explained on a telephone call to Mrs H in June that it needed her to either complete the forms to enable the money to be paid to B or arrange for B to send a letter of no further interest. Mrs H says she explained that the policy was assigned into her sole name following her divorce.

Mrs H complained to Prudential, requesting that it pay interest on the proceeds in the light of the delay as well as compensation for the distress and inconvenience caused to her. Prudential did not uphold the complaint, saying essentially that this was a matter between Mrs H and B.

I understand that Prudential received a letter of no further interest from B dated 15 August, then made payment directly to Mrs H around 27 August.

Mrs H later brought her complaint to our service where it was considered by an adjudicator. The adjudicator did not recommend that the complaint be upheld. He said he felt that B was mostly responsible for what had unfolded and he considered that Prudential had acted reasonably in the circumstances.

Mrs H was unhappy with this so she asked that an ombudsman review her complaint.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusions as the adjudicator and for similar reasons. I appreciate this will disappoint Mrs H.

It is understandable that Mrs H was unhappy to receive letters saying that the policy was apparently assigned to B. Mrs H has explained the policy was assigned in her sole name following her divorce. However, I agree with the adjudicator that, when B informed Prudential that it was entitled to be paid the proceeds directly, it was reasonable for Prudential to request that this matter be resolved before making payment.

There can be more than one assignment of a policy. It was common for businesses like B to take an assignment of a policy like this as security for its loan. There may have been a subsequent assignment between Mrs H and her former husband on their divorce but that is an agreement between them and is about *their* interests in the policy. It would not change B's rights over the policy or override an earlier assignment to it.

Given the amount of time that has passed since the beginning of the policy, and B's admission that it has lost some documents, I suspect it would be difficult to determine now the precise history. I think though the possibility that B might have had an assignment demonstrates why it seems reasonable in the circumstances for Prudential to have delayed payment.

Prudential has said it explained to Mrs H in a telephone call in June 2013 that it would need a letter of no further interest from B in order for the proceeds to be paid directly to her. I appreciate this was likely to have involved some inconvenience for Mrs H. However, it seems to me that Prudential acted reasonably in the light of the letter it received from B.

In the circumstances I do not consider that Prudential did anything that was clearly wrong. Therefore, I do not find that it should make any payment to Mrs H in addition to the maturity proceeds of the policy.

**my final decision**

For the reasons given above I do not uphold this complaint.

Kirsten Smart  
**ombudsman**