

complaint

Mr F complains that The Prudential Assurance Company Limited (Prudential) stopped his monthly annuity payments.

background

Prudential sent Mr F a letter in April 2015 which was returned as 'addressee gone away'. As they'd lost contact with Mr F, Prudential stopped making his monthly annuity payments. They said this was a protection measure to ensure payments were being made to the correct person.

Mr F contacted Prudential around 11 months after the payments stopped to ask for them to be re-instated. The missed payments were made to Mr F and the monthly annuity payments started again. But Mr F wanted Prudential to pay him compensation.

Our investigator didn't think Prudential had done anything wrong. He said that Prudential's decision to stop the annuity payments was reasonable. And he didn't think it was fair to ask them to pay Mr F any compensation.

Mr F disagreed and asked for a final decision from an ombudsman.

my findings

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've come to the same outcome as our investigator, and for broadly the same reasons.

Mr F says that Prudential doesn't have the legal authority to stop his annuity payments. The letter Prudential sent to Mr F was returned as 'gone away'. So I think it's reasonable for Prudential to say it had lost contact with Mr F. Particularly because it doesn't appear Mr F had updated them with his new address. As it had lost contact with him, I don't think Prudential did anything wrong in stopping Mr F's payments.

Mr F says that in these circumstances the reasonable thing to do would be for Prudential to contact his bank. But I don't agree. It doesn't appear Mr F had given Prudential or his bank authority to accept instructions from each other. So it's unlikely Prudential and Mr F's bank would've been able to share information about him. For these reasons, I think Prudential's decision to stop the annuity payments was a reasonable action to take.

As soon as Mr F contacted Prudential about the stopped payments, they were reinstated promptly. So I don't think there was any undue delay by Prudential.

Lastly, Mr F says he should be paid compensation and interest for the time his money wasn't being paid. But because I don't think Prudential has made any mistake, I'm not recommending that it pays Mr F anything.

my final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 16 February 2017.

Tero Hiltunen
ombudsman