

## **complaint**

Mr M complains about the administration of his income bond by The Prudential Assurance Company Limited.

Mr M says he wrote to the business in January 2017 to change his account details for payment but the business failed to act on his instruction. Mr M says this led to the February income payment being missed.

Mr M complains that despite giving the business his account details again it still hasn't updated his details for payment. He is also unhappy that the business suggested making payment to an account that no longer exists. Mr M complains that the business now refuses to make further payments until Mr M updates his details in writing.

Mr M also complains that despite registering with My Pru and giving instructions to update his account details on that system the business still hasn't made the payments to his new account. In addition Mr M believes the short time the business took to respond to his complaint demonstrates that it failed to carry out any meaningful investigation.

## **background**

Mr M says he wrote to the business in January 2017 to change his account details. No payment was made to his new account. So Mr M emailed the business in February 2017 and complained.

The business did not uphold his complaint. It said that it had not received the January letter and it did not accept changes to the payment details by email because of security reasons. The business said it would only accept these changes in writing.

Mr M indicated to the business that the February payment had gone astray. So the business said it was suspending payment until it received updated details in writing. There was an exchange of correspondence. The business explained Mr M would either have to provide his instructions in writing or call its customer service centre to provide the details. The business said that if Mr M contacted the customer service centre he would be asked some security questions. The business also wrote to Mr M in March 2017 and enclosed a pre-paid addressed envelope so he could send his instructions in writing.

Mr M was not happy with the business' response to his complaint. Mr M said as his letter was sent it was deemed received by the business. He said the business had failed to act on his instructions. Mr M said he had also instructed the business to update his details on the My Pru system. Mr M said the business has no right to suspend the income payments. Mr M referred his complaint to our service.

Mr M's complaint was considered by one of our adjudicators who didn't uphold it.

The adjudicator said where one party says it has not received a letter we would normally ask to see a copy of that letter and proof of its posting. He also thought if the letter had been received by the business Mr M would have been given an acknowledgement confirming receipt. As Mr M was unable to provide evidence of any of these the adjudicator felt it was difficult for him to conclude that the business received the letter from Mr M or that it deliberately or negligently ignored it. The adjudicator also said the business could not act on instructions it had not received.

The adjudicator accepted the business was unable to accept instructions to change account details by email for security reasons. So as a result Mr M would need to put his instructions in writing or give his instructions by telephone using the customer service centre. The adjudicator also said, that as far as he could see, the business only offered to continue using Mr M's old account to make sure no further payments went missing. Because the business was unable to change Mr M's account details until it had received his instructions in writing.

In the adjudicator's view the business made reasonable efforts to find Mr M's January 2017 letter but it was unable to find any record of it. He also explained that the business had no obligation to make these payments by cheque unless Mr M specifically asked it to do so.

Mr M didn't agree and made the following comments:

- The adjudicator's opinion was overtly biased and he had ignored that the business had been given the instructions in writing via secure messaging.
- The business never stated it would accept written instructions. If it was keen to resolve the matter it would have sent Mr C pre-prepared instructions for his signature.
- The adjudicator totally ignored that the business failed to make the February payment and that it will only do so to an account that doesn't exist. It's the business' duty to find a way to make payment.
- The business failed to act on written instructions twice.
- For many years payments have been made to an account at Building Society A.
- About 18 months ago the business was instructed in writing to make the payments to an account at Bank B. No acknowledgement was given. However, as the payments did go to Bank B he assumed the business was complying.
- The business failed to make the payment to the correct account for over a year.
- The business was given instructions in January 2017 which were ignored. Mr M has a copy of that letter at an overseas home. The payment then eventually appeared in a second account held with Building Society A that Mr M rarely uses or checks. The February 2017 payment was sent by the business to the original account with Building Society A who transferred it to Bank B. But Bank B rejected it as the account no longer existed. It was finally credited by Building Society A to the second account which is the one the business was instructed to make payments to.
- The business has no authority or grounds for suspending the payments. Had it not done so the payments could have continued in all likelihood. So for an invented security issue the business is refusing payment to an account with Building Society A to which the February payment was credited.

The adjudicator responded to say whilst he acknowledged that Mr M said the business was given the instructions in writing by secure messaging he hadn't seen a copy of this. The business had stated it had no record of any contact from Mr M in January 2017.

The adjudicator also referred Mr M to the business' letters dated 11 February, 23 February and 1 March 2017 in which it stated that Mr M's instructions needed to be made in writing. He also said that the business had no obligation to prepare Mr M's instructions for him to sign

As far as the adjudicator could tell the business didn't make the February payment because it hadn't, by then, received Mr M's instructions to change his account details. He was also satisfied the business made it clear to Mr M that it would stop future payments until it had received his instructions in writing in order to prevent future payments going astray.

The adjudicator was of the view that the business only offered to continue payments to this old account until Mr M was able to send it details of his new account in writing.

.Mr M responded as follows:

- The adjudicator's opinion was more contradictory and biased. He'd accepted the business' account without reasonable checks.
- His instructions exist in the My Pru records.
- The adjudicator's comments about the February payment totally contradict the payment facts.
- He noted the adjudicator's confirmation that business won't send instructions for him to sign and that the adjudicator supported that lack of co-operation.
- The adjudicator asserted the business' claim to have sent mails means they must have been received. The adjudicator made this assertion with bias. He asked if the adjudicator had asked for and seen proof of posting.
- The adjudicator's repetition of the business' claims didn't make them valid.

As agreement couldn't be reached the complaint has been referred to me to be reviewed.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr M receives income payments from his bond held with the business. Mr M wanted to change the details of the account those payments are made to. Mr M says he wrote to the business in January 2017 and gave it instructions to change the details for payment. He also says he gave those instructions to the business using the account system My Pru. He points out that it is a secure system.

Mr M says as he sent his instructions by mail they are deemed to have been received by the business. Mr M is extremely unhappy that his instructions have not been acted upon and the business has now suspended the income payments.

I can appreciate from Mr M's point of view that he has asked the business to carry out the fairly simple task of amending the account details for payment and the end result has been that the income payments on his account have been suspended. But, I consider the business has acted in this way to try to ensure the payments go to the correct person not because it is trying to stop Mr M from receiving his payments.

The business has said it did not receive the January 2017 letter. Mr M has not been able to produce a copy of the letter or proof of its posting although I note Mr M has said he has a copy overseas. So, I can't check that the letter was addressed correctly or sent to the right department. I also have no record of the content of the letter.

Mr M says the letter should be deemed to be received but I have not seen any documentary evidence to show it was correctly addressed. It is also the case that unfortunately some post does go astray in the postal system. The business is saying the letter was not received. I am satisfied that the business has made numerous attempts to find the letter without success. I also take into account that there was no acknowledgment of the letter by the business which would have indicated it had been received.

Overall, I am not persuaded on balance the letter was received by the business. And if the business did not receive the letter it could not act on any instructions it may have contained.

Mr M says he also gave the same instructions to the business using the My Pru account system. I have asked the business about this and it said it does not accept change of account details by email whether securely or not. The business said it asks for instructions to be in writing for reasons of security. Because this allows it to carry out checks and verify the signature.

I think the business is in a good position to decide what security checks it should put in place to ensure it protects account holders from fraud. I don't think the requirement the business has described are unreasonable so I don't consider the business has acted unfairly or improperly in the circumstances.

I am satisfied the business has asked Mr M on at least three separate occasions to put his instructions to change his account details for payment in writing. I am satisfied that Mr M has received that correspondence from the business because Mr M has responded to it. I also note that the business sent Mr M a pre-paid addressed envelope with its letter of 10 March 2017. So, I consider the business has tried to reduce the inconvenience for Mr M and tried to assist him in giving his instructions. I am also satisfied that Mr M received that letter because he referred to it in a subsequent email.

Mr M has complained about the business suggesting it should pay the monies into his old account. He has also complained about the business suspending the payments and says it is not entitled to do so. Mr M has also said the business should have sent him a cheque. .

I think the business initially offered to carry on paying the income payments into Mr M's "old" account because it did not have instructions to pay monies into the new account. The business would not have known whether or not the account still existed until Mr M informed it. Particularly as it seems from what Mr M has said in more recent correspondence that although a payment was made to the "old" account it was redirected to another account in any event.

I am satisfied that the business suspended the income payments because Mr M informed it that the February payment had gone astray. I don't think that was unreasonable in the circumstances. I agree that the business was contractually obliged to pay Mr M the income payments. But I am not convinced that it would be satisfying that obligation by sending the payment to an account it was not confident belonged to the holder of the bond. It could even be seen as careless if it did so. I think the business had limited options because it did not have written instructions from Mr M allowing it to make the payment into another account or make the payment by cheque.

I also do not consider the fact the business gave Mr M a swift response to the initial complaint demonstrates it did not investigate Mr M's complaint properly. It was a fairly simple matter to investigate- had it received instructions from Mr M and had it acted upon them.

Mr M has referred to matters pre-dating the subject of this complaint in recent correspondence. This complaint is about whether or not the business received and acted upon the January 2017 instructions and what options it provided to Mr M after the matter had been raised by him. So, I consider what happened in relation to other instructions sent by Mr M a number of months before has very limited relevance to this complaint.

I note the point made by Mr M where he says he previously made changes and did not receive an acknowledgement from the business. But, I think the relevance of an acknowledgment is that it shows the correspondence has been received.

Overall I do not consider the business has acted improperly or unfairly in the circumstances for the reasons already outlined.

But it seems rather unfortunate that what is a fairly simple matter cannot be resolved. I think the business has already provided Mr M with different ways to give his new bank details. However in order to try and resolve this matter I would suggest the business sends Mr M another pre-paid addressed envelope that Mr M can return with his written instructions.

### **my final decision**

My final decision is that I do not uphold the complaint by Mr M against the Prudential Assurance Company Limited for the reasons outlined in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 September 2017.

Julia Chittenden  
**ombudsman**