

## **complaint**

Mr W is unhappy that Prudential are unwilling to provide him with an enhanced annuity.

## **background**

Mr W took out a life cover policy with Prudential in 2005. He was initially quoted a monthly premium of £10.37 for life cover of £40,000. However, this was increased to £17.74 when Prudential reviewed his medical conditions.

He then asked for a quote for an enhanced annuity in 2014. Prudential were unable to provide a quote. They said his fund value wasn't big enough for them to provide this product.

Mr W complained that Prudential were treating him unfairly. He says that they took an enhanced premium for his life cover because of his medical conditions but wouldn't now provide him with an enhanced annuity.

One of our adjudicators looked into the complaint and didn't uphold it. She felt that Prudential were unable provide an enhanced annuity to Mr W because of his fund value. Their decision was not because of an unfair approach to Mr W's medical conditions.

Mr W didn't agree with this. He said that it's unfair for Prudential to say he requires an enhanced premium for his life cover but deem him "healthy" enough to decline an enhanced annuity. He asked for his complaint to be reviewed by 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.

I understand why Mr W believes that his medical conditions mean he should have been able to obtain an enhanced annuity from Prudential. However, life cover and enhanced annuities are different products. They also have different eligibility criteria.

It's important to note that Prudential will only offer an enhanced annuity where there is a minimum fund value of £10,000. Unfortunately, Mr W's fund value of £5,872 was below that. It's not unusual for providers to set minimum amounts below which they won't accept a product, for example to meet fixed costs. I therefore accept Prudential's argument that Mr W's fund value was the reason why he was refused an enhanced annuity quote. I don't think Prudential have treated Mr W unfairly because of his medical conditions.

## **my final decision**

I don't uphold the complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 2 July 2015.

Abdul Hafez  
**ombudsman**