

## **complaint**

Mr K has complained through a representative about the amount paid by The Prudential Assurance Company Limited in settlement of a critical illness claim under his endowment mortgage policy.

## **background**

Mr K held an endowment mortgage policy since 1996. The policy was originally with another insurer but was with Prudential at the time of Mr K's claim. The policy had a number of benefits. It was an investment vehicle that would have provided Mr K with a fund that he could take as a lump sum after 25 years. It would also provide Mr K or his estate with a lump sum if he died or was diagnosed with a critical illness during the term. The policy specified a minimum amount for death and critical illness benefit ("the sum assured").

Earlier this year Mr K made a claim for critical illness on the policy. Prudential accepted the claim and made a payment to Mr K equal to the sum assured. His representative complained that, in addition to the sum assured, Prudential should have paid an amount equivalent to the value of the investment fund.

Mr K's representative referred the complaint to this service.

## **our initial conclusions**

Our adjudicator did not recommend that the complaint should be upheld. She thought it was clear that only the greater of the sum assured or the value of the fund would be paid in the event of a claim for critical illness.

Mr K's representative did not accept our adjudicator's recommendation. She says that the wording of the policy means that both elements should be paid.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The relevant section of the policy says:

*"On diagnosis of an eligible critical illness during the term of the policy, [original insurer] will pay out the greater of [the sum assured] and the value of your fund."*

Mr K's representative says that the crucial word in the above is "and".

I do not think that the above wording can be interpreted in the way suggested by Mr K's representative. That interpretation would only be possible if the words "*the greater of*" were omitted completely. It seems to me that the inclusion of those words makes it clear that the amount paid would be the sum assured or the fund value (if greater), but not both.

I am, therefore satisfied that Prudential has paid Mr K the correct amount in settlement of his claim and that no further sums are due to him.

**my final decision**

For the above reasons, my final decision is that I do not uphold this complaint. I make no award against The Prudential Assurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 December 2015.

Charles Bacon  
**ombudsman**