

complaint

Mr W's complaint against The Prudential Assurance Company Limited falls into three areas:

- The business requested unnecessary security checks,
- His name was noted incorrectly on the business' records and
- His payment dated December 2013 was incorrectly recalled and returned by the business. Moreover alterations had been made on the cheque by hand.

background

Mr W says that the security check requested by the business was excessive and unnecessary and the business made repeated mistakes in the use of his name. The business has acknowledged that errors were made regarding his name and offered him £50 for the distress and inconvenience caused.

In addition, Mr W says a handwritten number on a cheque issued for a missed premium led him to lose confidence in the business and as a result he surrendered the policy. He would therefore like the business to pay the difference between the surrender value and the death benefit which amounts to £5,000.

Mr W had been paying his premiums by auto-payment – a bankers draft issued from his HSBC account by standing instruction. In January 2014 his cheque was rejected due to a handwritten alteration to the payee. He received further reminders to pay his premiums in February and March 2014. He decided to cancel his insurance in March 2014. He contends "Prudential has mishandled my case by alleging non-payment, which was none of my fault nor that of my bank".

Prudential confirmed that the policy number was clearly stated on the cheque and has not been altered. "We are not sure what the number 91014331 relates to, however, *****998 is the account to which premiums payments are credited to Prudential. Our accounts department are adamant that they do not make any alterations to cheques received. I cannot, therefore, confirm where the alterations were made."

An adjudicator reviewed Mr W's complaint but didn't uphold it. She said there was no evidence to suggest that Mr W was forced to surrender the policy, the security checks were unnecessary or Prudential had caused Mr W a financial loss as a result of its actions.

Mr W remains dissatisfied as the business has not addressed his concerns surrounding the amended cheque issued for the non- payment of premiums.

As no agreement has been reached the complaint has come to me for review.

my findings

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

I know it will be a considerable disappointment to Mr W but I have reached the same conclusions as the adjudicator.

I understand Mr W's frustration at having to repeat personal information and have his policy number to hand when discussing his financial issues with the business. It can be very

annoying but Prudential have a legal duty to ensure that personal information is only discussed with the policy holder. UK anti-money laundering regulations also require that financial institutions ensure that they know who they are dealing with. In this instance I think the Prudential followed the correct procedure.

Mr W says that the business made repeated mistakes with his name. This must have been very upsetting. However, I also note that the business acknowledged this error and Mr W has been offered £50 for the upset this caused. It is my view that the offer from Prudential is fair and reasonable.

Mr W has said that the handling of his cheques caused him to lose faith in the business and caused him to surrender his policy. I have looked at the documentation surrounding this transaction and it is very difficult to know for certain what happened.

Mr W had paid his premiums with few problems for more than 30 years until December 2013. His Hong Kong bank issued a sterling banker's draft for his premiums that was presented to the Prudential.

However the banker's draft issued in December 2013 was rejected. This was because a handwritten amendment was made to the name of payee, by changing a numeric code printed on the draft. I understand the policy number was clearly stated on the cheque and has not been altered. The handwritten number is the account to which premium payments are credited to Prudential. The printed number that has been crossed out has not been identified. While it is undeniable that the banker's draft has been changed it is not clear when this happened. So I have been unable to establish why or who changed the number on the draft.

Mr W says that he felt compelled to surrender his policy when he lost faith in the business. While Mr W might feel that he had no choice I am afraid that I cannot agree. He had a good relationship with the business for a number of years. There had been a number of occasions (including in 1999 and 2008) when his payments were not processed but the shortfall in payments was resolved. It would appear that in August 2013 another draft was altered in exactly the same way but this was presented and accepted. The recalled payment in December 2013 meant the policy became one month in arrears. Prudential wrote to Mr W to obtain payment. I think that the business acted reasonably in asking Mr W for payment when it did not receive the premium. He was given the opportunity to make up the premium. When the next monthly premium was paid the policy was bought up to date but almost immediately the next premium was due so the policy was in arrears again.

HSBC in Hong Kong provided Mr W with a list of the drafts it sent on his instructions. It is noticeable that the December 2013 payment is absent from this list – although a draft from that month was presented to Prudential. I have not been able to establish why the December payment was not included on this list but it does suggest that Prudential was not to blame for the missed payment.

Because Mr W chose to surrender the policy Prudential cannot be held responsible for the difference between the death benefit and the surrender value. When Mr W surrendered the policy he received a reduced benefit in line with the terms and conditions of the policy. He wants to have the death benefit paid to him. However this sum is only payable if Mr W died and the policy is in effect at the time of his death. The Financial Ombudsman Service can only direct businesses to pay redress where it has caused the customer financial loss.

Clearly Mr W has been much affected by this sequence of events; he says he has lost faith in a business he has trusted and this must have been upsetting. However, to uphold Mr W's complaint I have to find that The Prudential Assurance Company Limited had done something wrong, in this case I am unable to do so, although I note it did offer him £50 for the distress arising from the repeated mistakes in the use of his name.

my final decision

For the reasons set out above I do not uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 24 August 2015.

Sue Rossiter
ombudsman