

## **complaint**

Mr and Mrs T complain that The Prudential Assurance Company Limited caused delays in making the maturity payment on their mortgage endowment policy.

## **background**

Mr and Mrs T had a mortgage endowment policy with The Prudential which was due to mature in July 2015. When they hadn't heard anything from the Prudential following the maturity date, they contacted the business. It said it had already sent out the paperwork but hadn't heard back from them and agreed to send out the paperwork again.

Mr and Mrs T returned the paperwork promptly but there was a delay in making the payment. The Prudential has accepted that if it had met its own service standards, the payment would have been made on 12 August 2015 instead of 20 August 2015. It offered Mr and Mrs T £50 as compensation for the poor service and £25 as compensation for the delay. In addition, it agreed to pay interest on the maturity payment at Bank of England base rate plus 1% from 12-20 August totalling £3.95.

Mr and Mrs T disagreed with this outcome. So they brought their complaint to this service.

The adjudicator thought the compensation offer from The Prudential was appropriate in the circumstances but she thought The Prudential should calculate the interest Mr and Mrs T had lost from 12-20 August at the rate of 8%.

Mr and Mrs T disagreed. They felt they'd lost out by not having the proceeds of the policy from the maturity date at the beginning of July. So they asked for review 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.

The Prudential says it sent out correspondence to Mr and Mrs T before the maturity date but it seems they didn't receive this. Their address appears correct in the system so I don't think this was The Prudential's fault.

Mr and Mrs T complain that The Prudential should have reacted sooner when they didn't respond to the letter. But the Prudential says it followed its own internal processes and that follow up for unpaid claims would be made after a period of 30 days. Mr and Mrs T contacted the business before that time was up and it responded as soon as they did. I have noted The Prudential's internal process and it appears that follow up on unpaid claims is made on the first day of the month following the missed payment. So if it hadn't heard from Mr and Mrs T beforehand, follow up would have been made at the start of August. In the circumstances of this case, I don't think it was unreasonable for the Prudential to follow its internal guidance on missed payments.

The Prudential has accepted it gave poor service after it received the paperwork from Mr and Mrs T so I only need to decide if the redress offered is appropriate in all the circumstances. I believe £50 for the delay in payment of around a week is appropriate.

I understand that The Prudential, following the recommendation of our adjudicator, has agreed to pay interest at 8% simple on the maturity value over the 8 day delay period which amounts to £58.04. As the Prudential had already paid £25 as a goodwill gesture towards the interest, it agreed to pay an additional £33.04. Because I find that The Prudential didn't do anything wrong to cause the initial delay, I believe that interest for the 8 day delay caused by the business is a fair offer in the circumstances of this case.

**my final decision**

For the reasons given above, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 18 January 2016.

Susie Alegre  
**ombudsman**