

complaint

Mr J is unhappy with how The Prudential Assurance Company Limited handled his investment top-up. He feels he ought to be compensated for the delay in making his investment because of problems he had with the form.

background

Mr J has an investment with Prudential. Last December, he wanted to add to it using money from savings and from the surrender of another investment. So he sent a form and a cheque into Prudential.

This was received on 5 December and Prudential wrote back to Mr J the same day to let him know they needed some more information before they could credit the money to his investment. This was because Mr J hadn't filled in the part of the form that asked about where his money had come from – something they're required to ask in line with the money laundering rules.

Mr J called Prudential on 18 December to give them the information they needed. So his investment should have been made that day. But the member of staff didn't do whatever it was they needed to do to get the investment made. So Prudential ended up sending further letters to Mr J as they thought the information was outstanding.

Mr J's investment was eventually made on 10 January after he called again – but as Prudential recognised the error they'd made, they backdated the investment to 18 December to make sure Mr J wasn't worse off from their oversight. They also paid him £100 to apologise.

Mr J wasn't happy with this. He thought Prudential ought to have backdated the investment to the day they received his form and cheque – 5 December. He thought this was fair because he found the form confusing and that it wasn't his fault. Prudential didn't agree so Mr J asked for our help.

One of our investigators looked into what happened but he thought Prudential had done enough to put things right. Mr J remained unhappy – in addition to the points he'd made before about the length, layout and wording of the form, he was also unhappy that Prudential cashed his cheque and could have earned interest on the sum before it was invested.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with what our investigator said, for broadly the same reasons.

There's no dispute that Prudential made an error here – they agree that Mr J's call of 18 December gave them the information they needed to get his money invested. But they put this right by backdating the investment to ensure he wasn't financially disadvantaged. They also paid him £100. I think this is fair and enough to recognise the additional call that was required and the inconvenience Mr J had.

But I don't agree that Prudential need to further compensate Mr J by amending the investment date to 5 December – that's because they didn't have all the information they

needed at that point to process his top up. That was due to an omission of Mr J's, not a mistake of Prudential's.

I appreciate Mr J feels he missed the box regarding the source of the money because of the layout – but I don't agree the form is confusing. At the relevant section, entitled 'Details of the applicant' there were a series of boxes to complete; firstly, there were sections to note the occupation and income of applicant one, followed by a section to record the occupation and income of applicant two. After which were sections around the source of funds and source of wealth – Mr J left both blank. While those sections did follow underneath questions around applicant two, the form did say:

In the revised Joint Money Laundering Steering Group guidance, this product has been categorised as "increased risk". We are therefore required to gather additional information (enhanced due diligence) on our customer(s). Please answer all the questions below. Where there are joint applicants, please give details of both.

So I think it was made clear to Mr J he needed to answer all of the questions. And I think Prudential were reasonable to ask about the source of the money before investing, in order to comply with the rules around money laundering. I therefore don't agree the delay in investing from 5 to 18 December is a period for which Prudential are responsible for.

Mr J also felt the form was confusing as there were interchangeable uses of the words 'you', 'I' and 'we'. But Prudential have explained the uses of these words and their attempts to address an unknown number of applicants. I think this is reasonable. Mr J was also unhappy a date box wasn't free-form, and was instead small squares that prescribed the DD/MM/YYYY format. Again, I think this is reasonable and something that's up to Prudential to decide, not something which our service would interfere with. I know Mr J felt the form was overly long for what he felt was a simple action, but it is up to Prudential to collect whatever information they need from their customers and to ask questions which may or may not be relevant in all instances. It is, again, something that we wouldn't interfere with.

Lastly, I know Mr J feels it's unfair Prudential cashed his cheque soon after they received it, meaning they could earn interest on it rather than either return it or just hold onto it. But I don't think this is necessarily what Prudential were motivated by – by cashing the cheque and beginning the process of holding the money electronically, they were ensuring that as soon as the additional information was gathered, Mr J's investment could be made without anything outstanding. So I don't find against them for this either.

my final decision

So for the reasons explained above, it is my final decision that I don't uphold this complaint as I think The Prudential Assurance Company Limited have already done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 22 November 2019.

Aimee Stanton
ombudsman