

complaint and background to complaint

Mr T has complained to The Prudential Assurance Company Limited about the handling of the maturity of his mortgage endowment policy. Mr T has said that its actions caused delays in him receiving the proceeds of the policy, costing him money in additional mortgage interest.

Mr T's mortgage endowment policy matured in late February 2013 with the maturity forms being sent to him the previous day. Mr T returned the completed forms to Prudential on 1 March 2013. However it required signed confirmation from the second policy holder, Mr T's ex-wife, in order for the proceeds to be paid.

There was the extensive correspondence between Mr T and Prudential in March and April 2013. In a telephone conversation on 12 March Prudential told Mr T that it required a number of things from his ex-wife. These included proof of identification, proof of address and confirmation that the proceeds could be released to him alone. Prudential did not have these until late April and it issued the maturity cheque on 1 May 2013.

Prudential added interest to the maturity proceeds and when Mr T complained it accepted that it had made errors and offered to pay him £125 for any distress and inconvenience plus £25 for the cost of his telephone calls.

After the complaint was brought to this service Prudential increased the offer saying that it would recalculate interest during the period from 20 March until 1 May 2013 and pay it at the same rate as Mr T's mortgage interest rate. This offer was made on the basis that it accepted it had been responsible for six of the nine weeks delay in the maturity payment being made.

Our adjudicator did not believe Prudential was responsible for the whole of the delay and felt the offer was fair and reasonable.

Mr T did not agree, he said that the delay was ten weeks and not nine and he did not believe he should be responsible for any of the delay. Prudential could have contacted his ex-wife direct and without his involvement the process would have taken even longer.

The case has been referred to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as the adjudicator and I consider the latest offer made by Prudential to be fair and reasonable.

Firstly, I agree with Mr T that the payment was made more than 70 days after maturity and not just nine weeks. But given the particular circumstances here I do not think that the payment would have been made immediately after the maturity date even if matters had been handled perfectly well. I cannot criticise the requirements Prudential had for proof of identification and consent from Mr T's ex-wife and this would inevitably have taken some time. And so whilst it has accepted responsibility for six weeks of delay it does not follow that

it is saying that Mr T is responsible for the rest of the delay (whether that is three weeks or four) – I think some delay was probably unavoidable.

Mr T now accepts that he was told that Prudential needed a letter from his ex-wife when he spoke with them on 12 March. I accept that this was only one of a number of requests and I can understand why he dealt with the others but not this one at that time. And I agree that Prudential could have contacted Mr T's ex-wife directly about these requirements but this was a jointly held policy and so I don't think it was wrong to deal only with Mr T rather than both policy holders.

Prudential have made an offer to resolve this complaint and my role is to assess whether that is a fair and reasonable outcome. Having considered all of the evidence, I believe that it is and so I am not satisfied that it should make any further payment. It has accepted that it was responsible for the majority of the period of delay and its offer to recalculate interest over the period between 20 March and 1 May 2013 is a fair one in my view.

my final decision

My final decision is that I consider the offer made by The Prudential Assurance Company Limited to be fair and reasonable.

If Mr T accepts this decision Prudential should recalculate the maturity payment by applying interest for the period between 20 March 2013 and 1 May 2013 at the same rate as Mr T's mortgage interest rate (instead of the lower rate it has applied). Once it has calculated that additional sum due to Mr T it should add interest to it at 8% simple from 2 May 2013 up to the date of payment.

Mr T will need to provide evidence of his mortgage interest rate at the relevant time.

This payment is in addition to the £150 Prudential has already agreed to pay. If this has not already been paid it should be paid within 28 days of Prudential being informed of Mr T's acceptance of this decision.

Keith Taylor
ombudsman