

complaint

Mr and Mrs A's complaint about The Prudential Assurance Company Limited concerns the payment of a claim on their critical illness insurance policy. The claim was backdated, but Mr and Mrs A believe Prudential should have added interest to the claim value at a higher rate than it did.

background

I understand Mr and Mrs A made a claim on their policy in November 2012. Prudential accepted the claim and backdated it to the date in 2011 when Mrs A's illness was diagnosed. It has told us it refunded all premiums paid after that date. It also added interest to the claim value at the Bank of England base rate. In addition, Prudential paid Mr and Mrs A compensation of £50 in recognition of poor service when handling their complaint, specifically that a call was not returned when it should have been.

I previously issued my provisional decision explaining why I did not consider Mr and Mrs A's complaint should be upheld. In summary, I did not believe Prudential was at fault for the fact the claim was not paid sooner and I was satisfied the claim (when it was made) was assessed and paid promptly. As I did not believe Prudential was at fault for the delay, I did not believe additional interest was due.

I invited both parties to let me have any further comments they wished to make. Prudential contacted us to say it has nothing further to add. Mr and Mrs A did not accept my provisional decision, saying they believe they should receive a fair rate of interest for the period Prudential held money it would not have had if they had claimed more promptly. They say the delay in making a claim was understandable given the nature of Mrs A's illness.

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 reconsidered the case, including Mr and Mrs A's response to my provisional decision, my conclusions remain as set out previously for essentially the same reasons.

I have noted and understand the reasons for Mr and Mrs A's questions about the approach Prudential might take to paying interest in other similar cases. But my role is to identify what represents a fair and reasonable outcome in the circumstances of this particular case.

The reason for the delay between Mrs A's illness being diagnosed and payment being made was the fact the claim was (quite understandably in the circumstances) not submitted until November 2012. Thereafter, I am satisfied Prudential assessed and paid the claim promptly and Mr and Mrs A do not appear to be disputing this.

I appreciate Mr and Mrs A believe a higher amount of interest would be fairer. But in circumstances where Prudential does not appear to be at fault, I do not believe there are sufficient grounds for me to require it to pay interest at a higher rate than it has already done.

my final decision

My final decision is that I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs A to accept or reject my decision before 30 December 2014.

Jim Biles
ombudsman