

complaint

Mr and Mrs G complain about what they say is the Prudential Assurance Company Limited's refusal to pay out the proceeds of their mortgage endowment policy.

background

Mr and Mrs G first complained to the business. The business upheld their complaint in part. It said that it accepted it had not dealt with them in the way it should and offered £50 for the trouble this has caused.

The business says Mrs G has not complied with its requests for suitable identification such as a valid passport. Mr and Mrs G were unhappy with that and came to this service. One of our adjudicators looked at the complaint and said that she was of the view that the business' offer was fair.

In summary this complaint is that the business has not and will not pay the proceeds of Mr and Mrs G's policy to them. It says it is not satisfied with the evidence produced to verify Mrs G's identity. Mr and Mrs G say the business' requirements have repeatedly changed and that there is no good reason for the failure to pay out the money. As a result Mr and Mrs G say, they are having to pay mortgage interest payments they would otherwise not have had to pay.

As the complaint could not be resolved Mr and Mrs G asked for an ombudsman's final decision and the case has been passed to me.

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 think that an award for the trouble caused to Mr and Mrs G is needed. However as regards the delay in making payment I agree with the adjudicator that this part of the complaint should not be upheld.

I understand this is not what Mr and Mrs G wanted and I know this is very important for them and this matters a great deal.

Before I deal with this in more detail I understand the business is now prepared to pay 50% of the maturity value to Mr G. That is a welcome development. Given the circumstances here I would ask the business to make every effort to assist Mr G in receiving his share of the proceeds with as little delay and formality as possible. I am not clear why this option was not offered much sooner to Mr G.

Mr G should be aware that the other 50% of the proceeds will be paid as soon as Mrs G is able to comply with the business' identification requirements. I'm satisfied that it is not a question of the business seeking to improperly hold on to the funds.

is the business able or right to delay making payment to Mr and Mrs G?

The business is required to ensure it makes payments like this to the right people. That is for a number of reasons. The true owners of the money are entitled to it. Third parties including criminal and other unlawful claimants must be prevented from receiving money where possible.

The business's owners, customers and staff are also entitled to be protected from funds being acquired by unlawful claimants. The seriousness and importance of this is demonstrated by the number of laws and regulations which make it a very serious matter indeed if money is allowed to be obtained by anyone other than its true owner.

I will not interfere in the arrangements or the checks the business thinks needed to protect its position when paying away funds. It is not for me to say what the law and regulations require and how those requirements should be carried out on a day to day basis.

Here, I suspect what has happened is simply that an unfortunate set of circumstances has meant that repeated attempts to produce the necessary evidence of identity in respect of Mrs G have failed. That of course is frustrating and has resulted in Mr and Mrs G having to make mortgage payments they would otherwise not have to make. However I have seen nothing to suggest this is anything other than an unfortunate and somewhat unusual set of circumstances.

has the business changed its requirements ("moved the goalposts") causing delay and uncertainty?

Mr and Mrs G say it has. They say every time they have given the business what it has asked for they are asked for something else. They say that is wrong and unreasonable. The business has said that each time evidence of identity has been produced for Mrs G there has been something wrong with it. They point to an expired passport and to utility bills which were more than six months old.

I agree with the business. Although I can see what Mr and Mrs G are saying the business is quite clear in its earliest letters that (for example) a *valid* passport is required-which is not what was produced.

However the business has already accepted its service was not as good as it could have been. In my view the possibility of a half payment could and should have been considered much sooner. I have suggested a total award of £200 for the trouble and upset this has caused should be paid to Mr and Mrs G.

my final decision

My final decision is that I uphold this complaint in part. I direct that The Prudential Assurance Company Limited pay £200 to Mr and Mrs G. I also hope that the business pays 50% of the maturity value of the policy to Mr G as a matter of urgency. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 18 January 2016

Mike Boyall
ombudsman