

## **complaint**

Miss B and Mr J have complained about the actions taken by The Prudential Assurance Company Limited in relation to their whole of life policy. They've complained that they didn't receive missed premium letters and as a result the policy has been made fully paid up and the life cover cancelled. They think the letters should have been sent by recorded delivery to guarantee they were received.

## **background**

Miss B and Mr J have held a whole of life policy with Prudential for the last thirty years. Around July 2014 the premium request from Prudential was returned because of insufficient funds. The premium request was automatically represented a month later but it was again returned. Because of this Prudential then sent out routine arrears correspondence after two three and eleven monthly premiums were outstanding. After thirteen monthly premiums had been missed Prudential changed the policy to be fully paid up and cancelled the life cover.

Miss B and Mr J have said that didn't receive any of the letters Prudential sent. They think because of the importance of these letters Prudential should've sent them by recorded delivery. They have explained that they moved house but had a mail forwarding system set up on their old address. They have also said that the old house was owned by friends who would have handed them any post which got mistakenly delivered to the old property.

The adjudicator who investigated the complaint felt it couldn't be upheld. He was of the view that Prudential had attempted several times to contact Miss B and Mr J but if the letters weren't received it couldn't be held responsible for this. He also didn't think it was reasonable to expect Prudential to send the letters by recorded delivery. Looking through the information provided he also couldn't see any record from Prudential that Miss B and Mr J had told Prudential of their change of address.

Overall the adjudicator was of the opinion that given how long the premiums remained unpaid it was reasonable for Prudential to make the policy paid up. He thought Prudential had done everything it was obliged to do in order to collect the outstanding premiums. He therefore felt he couldn't recommend Prudential reinstate the policy.

Miss B and Mr J didn't agree with the assessment and remained of the view that Prudential had done something wrong. They reiterated the point that they had used a mail forwarding system in their address and that other mail had been received with no issues. So there was just no evidence that the letters were sent by Prudential.

As no agreement could be reached the complaint has to me to be reviewed.

## **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 have come to the same conclusion as the adjudicator, and for broadly the same reasons.

I appreciate that premiums for a policy could be missed every now and then. But Miss B and Mr J missed the premiums for their whole of life policy for thirteen months. In my view this is a long period of time to not only miss paying premiums for an important policy but also to not notice from their bank account that they weren't being paid. Policy holders are responsible for keeping up the premiums payments into their policies and it's reasonable that they check their bank statements/accounts regularly. Had this been done Miss B and Mr J would've noticed their bank account had insufficient funds and that premiums hadn't been collected and this would've (or at least should've) prompted them to make contact with Prudential. However, I can't see any evidence of such contact being made. Ultimately in my view it was Miss B and Mr J's responsibility to ensure they were still paying for the policy, letters or no letters. But because the premiums were not maintained Prudential acted in accordance with its terms and conditions and made the policy fully paid up.

It's also worth pointing out that Prudential isn't obliged to send letters by recorded delivery. The letters are sent as a matter of courtesy because, as explained above, ultimately the policy holders themselves are expected to ensure their payments are kept up to date and are maintained. The fact that Prudential doesn't have copies of these reminders doesn't suggest to me that that the letters weren't sent because they are usually sent as an automated process which wouldn't generate a second copy on the policy holders records.

Miss B and Mr J have explained that they had moved a very short distance away from their old address to a new address. But Prudential has no record that they told it of this change. It was their responsibility to tell Prudential of their change in address irrelevant of how close a distance they moved to. Only by doing this could they ensure safe delivery of their post. I accept they put a mail forwarding system on their old address and have received other items of post. But this still doesn't mean Prudential did anything wrong. Also if the post wasn't received then Prudential can't be responsible for problems within the postal system. In any event as explained above despite the letters I think Miss B and Mr J should have realised they weren't paying for the policy over the thirteen months.

In conclusion therefore while I appreciate how frustrating this has been for Miss B and Mr J I just can't safely conclude that Prudential has done anything wrong. It has acted in line with its terms and conditions. It sent out several premium reminder letters but still the premiums remained unpaid for thirteen months. Without being notified of the address change I don't think Prudential could have done anything more. Ultimately it was the responsibility of Miss B and Mr J to ensure they kept the premiums paid if they wanted keep their policy intact.

### **my final decision**

My final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr J to accept or reject my decision before 26 September 2016.

Ayshea Khan  
**ombudsman**