

complaint

Mr and Mrs N complain The Prudential Assurance Company Limited didn't set up their discounted gift trust promptly and gave them incorrect information.

background

Mr N said he gave the Pru a banker's draft for £300,000 along with all the necessary information on 8 December 2015 but it didn't set up the plan till 14 January 2016.

Mr N also said he rang the Pru in December and was told he would receive the same number of units when the policy started as of the date the Banker's draft was received.

The Prudential said it had wrongly insisted on Mr N providing proof of address and identity as these had already been provided. It also admitted various other administrative and customer service mistakes including failing to respond to Mr N's queries. It offered him £75 for these mistakes plus £25 to cover the cost of his phone calls. But it said this mistake didn't affect the timescale.

It said it needed proof that the banker's draft had come from his personal account along with a copy of the bank statement he wanted his regular income paid into. It wrote to his bank, HSBC, on December 21 and it didn't receive this information till 7 January. It said it then needed Mr N's financial advisor to agree to put the policy into force which he confirmed on 14 January. As it didn't action this request till January 18 it had backdated the start date of the plan to January 14.

Mr N didn't accept this response and brought his complaint to this service.

An adjudicator at this service asked the Pru for more information about various issues including:

- Did it accept that it had received the application form and the Banker's draft on December 8 - and could it supply evidence of this?
- If this is correct, why did take till December 17 to request further information, thereby exceeding its five working day turnaround target – and could it supply a copy of this email?
- Could it supply evidence that it received HSBC's response on January 7?
- Could it supply a recording of the call Mr N made in December in which it allegedly promised to honour the value of the units as of December 7?

The adjudicator subsequently chased the Pru for this information and eventually received a copy of the application form (dated 28 August 2015) and its email to HSBC of December 21. It did not provide the rest of the requested information.

In this light, the adjudicator felt the Pru was probably responsible for the delay given it had failed to provide evidence to the contrary. She said it should recalculate the plan based on it starting within five days of the receipt of the banker's draft. She also thought it should pay trouble and upset of £300 (this included the £100 it had already offered).

Mr N accepted the adjudicator's proposal. The Pru didn't reply.

As this complaint has not yet been resolved, it has been referred to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It is always difficult to fairly assess a complaint when one party doesn't provide all the relevant information. In this case the Pru has also failed to explain or justify its apparent failure to either enact the plan immediately on December 7 or to promptly request any additional information that it required before doing so.

Based on the information available, I think it is most likely – on the balance of probabilities that it either could've and should've set up the plan immediately after December 7 or that it promised Mr N it would do so. It has admitted asking for information it already possessed and has offered no explanation for its delay in seeking other information.

I'm therefore satisfied it should recalculate the value of Mr N's plan, based on the average value of the units between December 7 and December 14 (i.e. the working days within its five day turnaround target).

I also agree that its service was poor on a number of levels and should pay Mr N £300 for the trouble and upset it has caused. This includes the £100 it previously offered him, so if this been paid it now only needs to pay £200 as part of the settlement of this complaint.

my final decision

I uphold this complaint and instruct The Prudential Assurance Company Limited to pay compensation as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 16 January 2017.

Tony Moss
ombudsman