



### **complaint**

The complaint is that Mrs K is dissatisfied that The Prudential Assurance Company Limited will not release 100% of her policy proceeds to her.

### **background**

The business would not pay the policy proceeds to Mrs K as she wished. It said that as an assignment of Mrs K's former husband's rights to the proceeds had not been completed they would not release all of the funds. Subsequent to Mrs K obtaining a Court order awarding her sole ownership of the policy Mrs K's former husband was adjudged bankrupt. A letter was obtained from the relevant trustee in bankruptcy who said he had no interest in the policy proceeds.

Despite that the business would not release the policy proceeds as Mrs K wished. They rejected Mrs K's complaint and she brought the matter here. One of our adjudicators looked at the complaint and ultimately concluded that it should be upheld. The adjudicator was of the view that the business could safely rely on the Court order and the trustee's letter to conclude that the only party with any claim on the policy was Mrs K and that therefore the business should pay the funds to Mrs K plus interest.

The business disagreed.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The policy is held jointly between Mrs K and her ex-husband. In May 2010 the policy forfeited (with a value of £19,525) due to non-payment of premiums.

During that period the policyholders were going through a divorce, and in August 2010 a County Court ordered Mrs K's former husband to transfer all his interest in the policy to Mrs K.

Although a deed of assignment was not completed, in September 2010, Mrs K's former husband provided a signed declaration confirming that he had relinquished all interest in the policy (although the document was not witnessed).

On the basis of the court order and signed declaration, Mrs K tried to claim the proceeds. However, in November 2010 Prudential confirmed that it would not release any of the funds without a deed of assignment or a signed letter from Mrs K's former husband confirming the proceeds can be paid to Mrs K. Although Prudential wrote to Mrs K's former husband, a response was not received.

In July 2012, a bankruptcy order was made against Mrs K's former husband. His trustee in bankruptcy contacted Prudential to enquire about the policy. However, in August 2012, the trustee confirmed he could have no interest in the policy as the court order (and the signed declaration) was made prior to the bankruptcy order

Between September 2012 and November 2012 Prudential continued to write to the Trustee for clarification before determining that the court order, the Trustee's letter and the signed declaration were insufficient for its purposes. However, on the basis of this information, Prudential confirmed it was now willing to release 50% of the funds.

In the absence of a deed of assignment it is understandable why Prudential wishes to protect itself from potential future claims.

However, even if I were to conclude that the court order and signed declaration were insufficient, ultimately, Mrs K's former husband has been declared bankrupt and his assets are under the control of his trustee. Therefore, the only two parties that could conceivably have an interest in the policy are Mrs K and the trustee. I am satisfied that the trustee will not be making a claim for any of the proceeds, as per his letter.

I am also satisfied that should Mrs K's former husband attempt to make a claim in the future, given the court order, the signed declaration and the trustee's letter, any claim would be highly unlikely to succeed.

**my final decision**

Therefore for the reasons set out above I uphold Mrs K's complaint. I order that The Prudential Assurance Company Limited pays 100% of the policy value to Mrs K, with 8% interest simple per annum applied from the date Prudential received the trustee in bankruptcy's letter, to the date of settlement.

Mike Boyall  
**Ombudsman**