

complaint

Mr D is complaining about The Prudential Assurance Company Limited in his capacity as executor of the estate of Mrs D. He's being represented by a financial adviser who says the estate has lost out because of delays in the initial processing of Mrs D's investment after it asked for unnecessary documentation.

background

In 2017, Mrs D invested £300,000 in a Prudential bond. At this time, her affairs were controlled by Mr D and Mrs M under a power of attorney and the investment was arranged by an independent adviser.

The application was dated 9 October and Prudential says this was received on 11 October along with documents verifying Mr D's identity. On 12 October, it wrote to the adviser requesting further information, including documents to verify Mrs M's identity. Prudential says the last of this was received on 31 October and, once it had been checked and approved, the investment was finalised on 3 November.

Sadly, Mrs D has since died and the bond was cashed in February 2018.

I previously issued my provisional decision explaining why I didn't think this complaint should be upheld. An extract is attached and forms part of this decision.

Mr D didn't accept my provisional decision and his adviser made the following key points:

- Prudential didn't ask for everything it ended up wanting immediately the application was made and kept requesting more information it hadn't mentioned before. For example, it didn't ask for a letter from the care home confirming Mrs D lived there until 19 October.
- Despite requests, Prudential wouldn't backdate the investment to the date of the application.
- Prudential's approach hasn't been consistent with how it's handled other applications the adviser has submitted in the past. Some of those involved larger investments, but it was able to invest much more quickly and required less documentation.

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 reconsidered the case, including the response to my provisional decision from Mr D's representative, my conclusions haven't changed.

As I've explained previously, it is ultimately for Prudential to decide on its procedures to make sure it complies with its obligations and the relevant rules and regulations. I haven't been provided with full details of other applications to compare how those were handled, but I believe it's reasonable to think the specific documentation needed will change from case to case depending on the circumstances. In respect of the requests to backdate the investment, I'm satisfied Prudential's original email of 12 October made it clear the bond wouldn't be issued until the documentation it was requesting had been received.

I understand why Mr D may believe some information that wasn't requested on 12 October should have been mentioned up front, for example the letter from Mrs D's care home. But it doesn't appear this affected the overall timescale. I understand the care home letter was received by Prudential on 24 October, the same day as Mrs M's confirmation of verification of identity (CVI) certificate. The CVI certificate was requested on 12 October and the investment couldn't have proceeded without it, whether or not a letter from the home had been requested at the same time or later on.

After 24 October, when Prudential had received all the information it requested on 12 October, including Mrs M's CVI certificate, Prudential says it tried to verify her identity online. And that it was only because these attempts were unsuccessful that it then requested further documents. It's clearly unfortunate Prudential couldn't finalise the investment at that point, but I don't think it would have known that any earlier, before it had the information it had previously requested. Once it became apparent further documentation was needed, I'm satisfied Prudential requested it straight away and that the investment was finalised promptly after it was received.

I appreciate my decision is a disappointment for Mr D. But for the reasons I've explained, I think Prudential was entitled to follow appropriate procedures to verify the identity of those involved before the investment was finalised. I don't think I can reasonably say its requirements were excessive or unreasonable in the circumstances and I'm satisfied it acted promptly once the application and further information were received.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 April 2018.

Jim Biles
ombudsman

extract from provisional decision:

my provisional findings

In arranging and administering investments, Prudential has to comply with a range of rules and regulations. These are designed, amongst other things, to make sure it deals with the right person and prevents money laundering. Prudential says its procedure is to verify the identity of all attorneys even if they have authority to act jointly and severally. It's ultimately for Prudential to decide its own procedures to comply with various requirements. While I understand the reasons for the complaint being made, I don't think I can reasonably say those procedures are excessive or unreasonable in this case.

It's unfortunate if the adviser wasn't fully aware of Prudential's procedure sooner. But equally, I don't think it's reasonable to expect that Prudential should somehow have set out full details of its procedures in the application when many of them wouldn't apply to all situations. By emailing the adviser the day after the application was received, I'm satisfied it made sure the adviser knew what additional information was needed promptly.

I think it's also relevant to note Prudential's email of 12 October 2017 asked for more than just documentation to verify Mrs M's identity. So even if it had accepted this for Mr D only as the adviser appears to believe it should have, it wouldn't have been able to finalise the investment as soon as the application was received anyway and there would still have been a delay.

I appreciate my comments will come as a disappointment to Mr D and aren't what he was hoping to hear. But for the reasons I've explained, I'm satisfied Prudential was entitled to ask for the additional information it did and that it acted promptly and reasonably after the application was received.

my provisional decision

My provisional decision is that I don't intend to uphold this complaint.