

## **complaint**

Mr and Mrs B have complained to The Prudential Assurance Company Limited about the advice they received to start an assurance policy in 1993. The policy combined a savings endowment with term assurance. They say they understood that they would receive the full sum assured at the end of the term and that they expected the endowment to pay out more than it did.

## **background**

Mr and Mrs B started this policy in 1993. It comprised of a savings endowment with a basic sum assured of £5,000 and term assurance for £40,000 on a joint life basis. At maturity the endowment paid out just over £9,000. Mr and Mrs B say that they were told that they would receive £40,000 as a cash lump sum at the end of the term and that they understood the endowment would pay more than it did. They would not have kept the policy if they had known this was not the case.

The adjudicator who considered the complaint did not think that it should be upheld. She explained that the sales documents identified an apparent need for life cover and said that the assurance policy was designed to pay out if Mr B or Mrs B had died during the term. There was no lump sum payable at the end of the term and this was stated in the policy documents. She also explained how the endowment worked saying that it was guaranteed to pay out £5,000 but had paid over £9,000. It was not set up to pay out the premiums paid plus the £5,000 as Mr B suspected.

Mr and Mrs B did not agree and asked for a decision from an ombudsman.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as the adjudicator and for mainly the same reasons. I do not uphold this complaint.

This policy was arranged more than twenty years ago and so it is not surprising that there is only a limited amount of documentary evidence available from the time of the sale. I have taken account of what Mr and Mrs B say they were told (or not told) about how their policy would work. But on their own and without additional supporting evidence, I do not believe their comments are sufficient to show they were misled about how the policy worked and what they could expect from it.

The adviser was under a duty to assess Mr and Mrs B's needs and circumstances and recommend only suitable products. The documents from the point of sale record that they had a need for savings and for life cover as they had young children at the time.

The policy documents set out that the endowment was guaranteed to pay out £5,000 at the end of the term and that the term assurance would pay out £40,000 upon death during the term but that it had no cash value.

I am satisfied that the policy was a suitable recommendation for Mr and Mrs B given their needs and circumstances and I am not persuaded that they were misled about the nature of the policy. The term assurance element did not have a cash value at any time and was

purely to provide life cover. The endowment paid out a value above the sum assured and whilst I note Mr B's comments that he expected it to pay out more, given the premiums paid, it was not guaranteed to do so. The final value was dependent on the bonuses added and these were at the discretion of Prudential.

So having considered all of the available evidence, I do not uphold this complaint and make no award.

**my final decision**

I do not uphold this complaint.

Keith Taylor  
**ombudsman**