

complaint

Mrs L complains that The Prudential Assurance Company Limited is holding her responsible for mortgage borrowing she never agreed to.

background

Mrs L and her now late husband took an equity release mortgage from The Prudential in 2007. There was a total of £56,000 available. A first drawdown of £20,000 was made which Mrs L says she has retained. But she says that further drawdowns of £20,000 and £16,000 were made without her knowledge. She says that her husband forged her signature and the money was paid to him. She discovered this in 2009 and he signed a confession to the family. Mrs L did not raise this with The Prudential until after his death in 2015.

The investigator did not recommend that the complaint be upheld. She said that:

- The complaint had not been referred to this service within the timescales set out in our rules. But The Prudential had consented to us looking at it.
- When the mortgage was arranged, Mrs L was required to consult with a solicitor and provide details of her identity.
- The Prudential did not go through this process for subsequent drawdowns. As this was borrowing that Mrs L had already agreed to take she thought this was reasonable.

Mrs L who is represented in this complaint by a family member did not agree. Her representative said that Mrs L had been put under duress to borrow this money. Her husband had significant personal debts. Her understanding of the English language was not good. She had no idea about the subsequent withdrawals. Her signature had been forged and The Prudential ought to have better systems. There are exceptional circumstances here.

my findings

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

I appreciate the difficult circumstances for Mrs L that her representative has described. I need to decide whether The Prudential can fairly hold her responsible for this borrowing.

As the investigator says Mrs L had access to a solicitor independent from The Prudential when she agreed to the terms of the mortgage. That solicitor provided a certificate saying that the terms had been explained. I think it was reasonable for The Prudential to rely on this.

The events complained about happened over nine years ago. The Prudential received documentation about the further withdrawals that appeared to be in good order. And this was for drawdowns in line with an existing agreement. It had no reason to think that these were not genuine requests or to enquire about the use of the initial or subsequent drawdowns. I know Mrs L is anxious about the level of debt but due to the nature of this equity release mortgage it will not be pursuing her for repayment. I don't find that it's acted unreasonably.

So I'm afraid I won't be asking it to do anything more. I know Mrs L has already taken advice about other ways she might want to proceed with this matter through a legal route, if she does not accept my decision. That would be subject to any relevant time limits.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 13 April 2018.

Michael Crewe
ombudsman