

complaint

Mr R complains that The Prudential Assurance Company Limited delayed the surrender of his investment and this led to him incurring a tax penalty.

background

The complaint was considered by one of adjudicators who felt the complaint should not succeed. Briefly, he said that The Prudential was entitled to request further documentation due to the difference in the signatures provided on the surrender instruction and the one held on file. He also thought The Prudential had actioned the surrender in accordance with the terms and conditions of the investment Mr R held.

Mr R did not agree and said that in his view The Prudential has incorrectly delayed the surrender of his investment.

The complaint has, therefore, been passed 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.

The terms of the investment that Mr R held confirm that there would be a waiting period of 28 days from the point when The Prudential received all of requirements in order to process the surrender. That included completion of a Prudential encashment form and verification of identity.

Bearing in mind that the investment terms were, from the start of the plan, that there would be a waiting period of 28 days (this was repeated on the encashment form) and that applied to all policies of this type, I cannot say The Prudential was wrong in applying it here or they have acted unfairly. The Prudential does have discretion to set its own terms and conditions as well as set its evidence of identity requirements. Bearing that in mind, it is not for me to override The Prudential's reasonable commercial decisions and dictate that it should have surrendered the plan sooner.

Because The Prudential could not be confident that the signature matched that it held on its records it asked for evidence of identity (as well as its encashment form). If a utility bill was to be provided that this had to be dated within 6 months of its issue. The first time a utility bill was provided it was not received by the Prudential until that 6 month period had expired. But even if The Prudential had accepted it, because of the 28 day waiting period, the surrender could not have happened either by the time Mr R's advisers requested or before the end of the tax year.

So, The Prudential was not responsible for the delay in the surrender being processed, that was materially caused by the delay in providing evidence of identity and the correct surrender forms as well as the 28 day waiting period.

The fact that other businesses might have different procedures for surrendering different investments does not mean The Prudential acted unfairly; as I say it has reasonable discretion to set its own requirements. There are different types of investment products and some can be surrendered the same day as the request and others have waiting periods.

my final decision

It is unfortunate that the withdrawal request was relatively close to the end of the tax year and, taking into account the 28 period, it did leave little time if further requirements were required. The fact that the surrender occurred after the tax year end was not in my view the fault of The Prudential and therefore I cannot say that it should pay the penalty Mr R unfortunately incurred.

I do not uphold the complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 October 2015.

David Bird
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