

complaint

Mr and Mrs W have complained about The Prudential Assurance Company Limited. They say;

- the final surrender value for their policy has been calculated incorrectly;
- the policy has been mismanaged, and
- that they have received very poor service from the business.

background

Mr W made his complaint to the business in September 2014 on behalf of himself and Mrs W. The business rejected most of the complaint. Prudential did however offer Mr W £75 for the distress and inconvenience caused to him by the poor customer service he received.

Mr W agrees that Prudential did not sell him the policy. However he thinks that as Prudential is the current holder of the policy it should accept liability.

Mr W says he has received poor service from Prudential and that it has 'mis managed' the policy. He also considers that Prudential is using "delaying tactics" when requests for surrender values are made by policy holders.

To settle the complaint Mr W wants Prudential to acknowledge what he describes as its financial negligence and pay financial compensation. He also wishes it to acknowledge the organisation's poor service quality to customers and offer higher levels of compensation.

In conclusion Mr W was unhappy with the business' response. He then brought his complaint to this service. One of our adjudicators looked at the complaint but agreed with the business and did not think any further redress should be paid.

Mr W did not agree with the adjudicator's opinion and asked for the case to be forwarded to the ombudsman for a final decision.

My finding

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I find I agree with the adjudicator before me. I do not uphold this complaint (any more than it has already been upheld). I understand this will disappoint Mr and Mrs W. They should not think I underestimate how important this is for them.

Usually to uphold a complaint I need to see some clear evidence the business has got something wrong. Here, for instance, the business accepts it gave Mr W poor service. If it had not done so I would, on the evidence here, have made that finding. Therefore it is right that the business should offer something for that poor service.

When I look at the other parts of this complaint I cannot see evidence that the business has got anything clearly wrong. In fact under the rules which apply here I can dismiss a complaint without looking at it *at all* if it is about performance or matters of commercial judgment.

Mr W has said that our role is to put someone back in the position they would have been in but for the business' error(s). That is indeed the usual purpose of redress. However the first

and most important stage is the need to make a finding that the business has got something wrong. Only *after* that finding has been made will redress be looked at.

To uphold a complaint about the performance of a policy or the commercial judgment of a business I would need to be satisfied of a number of things.

In particular I would need to be able to say that, on the evidence, the decisions made by the business were clearly wrong *when they were taken*. I cannot use hindsight in making a decision. There will have been different investments or strategies which would with hindsight have been “better” (in the sense that higher returns would have been achieved). That is obvious. To put it another way in any table of performance there will always be better and poorer performers. Poor performance either in relative or absolute terms is not evidence of mismanagement in itself.

Surrender values given by businesses are always estimates. They are never guaranteed. I would of course expect the business to use reasonable care in providing information. However the information is given as an indication of likely surrender values-no more and no less. They are in fact very complicated and difficult calculations involving actuarial input. There is nothing I can do about the complexity of with profit funds. Ultimately projections and surrender values are estimates only and unless clearly stated are not guaranteed.

Mr and Mrs W’s complaint isn’t unusual and it has been dealt with in the same way as similar complaints. More information about other complaints can be found on our website including published decisions and case studies. This service is intended to provide an informal dispute resolution process which is free to consumers. It is not a court and will not apply the same processes as a court. It is not the place for a detailed “forensic analysis” of the business’ actions. It would be more appropriate for the regulator to carry out such an exercise.

The process by which the funds operated by Scottish Amicable were taken over by this business was complex. It involved regulators and the courts. It is not for me to question or query what happened. I have seen nothing to suggest the business has sought to avoid liability or responsibility here. It has accepted it must deal with the complaint and if any redress was awarded for any issues for which it has responsibility it would have to pay that redress.

I have read what has been said about the level of service Mr W received from the business. The business accepts it was not good enough. It is always difficult to assess what amount of compensation should be awarded for non financial loss. We describe this as a payment for the “trouble and upset” caused by a business’ failings.

Consumers have a reasonable expectation that businesses will deal with them properly. However it is perhaps inevitable that a large business will fall below those expectations from time to time.

The business has accepted it got things wrong. All I can do is see whether the offer made by the business is, in my view, fair. It is simply a matter of judgment and I accept others will disagree. However overall I think the amount offered fair. Mr W can accept that if he wishes if he has not already done so.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs W to accept or reject my decision before 19 October 2015.

Mike Boyall
ombudsman