

complaint

Mr J's complaint concerns the amount he received when he surrendered some of his investment policies. He says he was told by a representative of The Prudential Assurance Company Limited ("Prudential") that the date used to calculate the value of his policies would be 10 January 2014. However, Prudential used a different date.

background

Prudential investigated and found that Mr J had been given incorrect information and so offered £150 by way of apology. It had required further identification from Mr J and this caused a delay in the surrender payment being made.

Unhappy with the offer; Mr J brought his complaint to this service for review.

The complaint was investigated by an adjudicator who felt Prudential had not treated Mr J unfairly. He said Prudential's request to ask for further identification was not an unreasonable request. This was largely for the protection of its customers.

The adjudicator appreciated this had delayed the surrender of Mr J's policies and so the value had dropped in the meantime. But he said Mr J was not entitled to the difference in value.

At the adjudicator's request, Prudential provided call recordings which showed the correct information was given to Mr J. He was told the value would be calculated on the date that it received all the necessary documents from him.

Mr J disagreed and said:

- He confirmed with Prudential's representative that the valuation date that will used to calculate the value of his policies will be 10 January. The Prudential representative does not deny this.
- No reason had been given by Prudential to explain why it needed additional identity verification. This seemed unnecessary because Prudential had been writing to him at the same address for the past 14 years.
- Prudential should have dealt with the matter more promptly as it was aware the value of the bonds change daily. Despite this, it was communicating to him by second class post.
- There was a fundamental problem with Prudential's system. If two bond holders held identical bonds and requested to cash in on the same day, they would receive two different values if one didn't have to provide extra documents.
- Prudential should have warned him in either its original cover letter or surrender form that additional identification documents might be needed.

As no agreement could be reached on the matter, it's now 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. Having done so, I've reached much the same outcome as the adjudicator and for much the same reasons.

The two key issues I consider central to the complaint for me to decide are:

- Was it reasonable for Prudential to ask Mr J for identity verification?
- Was Mr J given incorrect information about the valuation date for the surrender of his investment?

I understand why Mr J is frustrated that his request to surrender his investment was delayed as a result of having to provide identification documents. But having taken everything into account I'm unable to say Prudential's request was unreasonable.

Mr J has said he feels Prudential should have requested any documents it needed on the payment request form. I appreciate this point but the processes put in place by Prudential are a matter of its commercial discretion and I can't say it was wrong to do that.

The focus of my consideration has been upon the information Mr J was given by the Prudential representative about the date used to calculate the surrender value. I note Mr J says he was told that the amount he would receive was based upon the surrender value at 10 January 2014. But the actual value he received was less as it was calculated at the date the identification documents were provided.

I've reviewed the content of the telephone call in which Mr J was given the information he says that he relied upon. Although he was told 10 January is the date that would be used, the adviser then went on to say the policy would be cancelled when a utility bill was received from Mr J.

The adviser did say he would check the correct date and call Mr J back to confirm. Although a call back was never made, I think Mr J could reasonably have checked to be certain. Prudential accepted Mr J was never called back and the wrong date was initially given. To reflect that it offered £150 compensation to him.

Whilst I appreciate Mr J is likely to be disappointed, overall I'm unable to say the complaint should be upheld. Whilst he was given wrong information initially, I feel Prudential has made a fair and reasonable offer to reflect that. Mr J's investment value had decreased by the time he had provided valid identification documents, but I don't think Prudential did anything wrong by requesting them.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 1 September 2015.

Ross Hammond
ombudsman