

complaint

Mr G is unhappy with the way The Prudential Assurance Company Limited (“Prudential”) made a payment to him and with how it dealt with the situation when he said he hadn’t received this.

background

Prudential sent Mr G a cheque for the money from a matured endowment in July 2018. Mr G was expecting the cheque, so when he didn’t receive it, he asked Prudential about this and said he wanted it paid directly to his bank account instead. Prudential told him that he should wait a day, as the cheque was sent second class (rather than first class – as he’d been led to believe). Prudential said it would give Mr G a call the following week to see if the cheque arrived.

When Prudential called Mr G, he still hadn’t received the cheque and wanted it stopped. Prudential explained that it may still arrive in the post, but it’d send Mr G some forms so he could get the payment made to his bank account instead. Shortly after this, the cheque was credited to an account that Mr G said wasn’t his and he had no awareness of. But it took Prudential over a week to tell Mr G this.

Mr G complained to Prudential about how it issued the cheque and how it dealt with the situation. Prudential said that the cheque was issued in line with its standard process for sending money to a customer in these circumstances. But it acknowledged that the service it provided could’ve been better. It said it could’ve given Mr G clearer information and been more helpful. So it offered to pay £500 for this. Mr G didn’t accept this amount and brought his complaint to our service.

Our investigator looked into this and felt that £500 was fair compensation. She said that Prudential should’ve made Mr G aware of what happened with the cheque sooner. She also noted that Mr G had to regularly contact Prudential to find out what was happening and it often wasn’t able to give him information. She felt that some of this was due what happened with the cheque after it was issued by Prudential, which was outside of its control. But she did feel that Prudential could’ve been more proactive. Overall though, she was satisfied that £500 was fair compensation for the impact this had.

Mr G disagreed, saying that he felt it should pay more compensation. So the complaint has been passed to me to decide.

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 here, I’m satisfied that what Prudential has offered is fair.

Prudential has explained that it issues cheques in the way it did here as part of its normal process to give customers access to the money from a matured endowment. The cheque was crossed and was sent in line with its usual process. I don’t think that following this process here led Mr G being disadvantaged in anyway. The cheque was crossed, meaning it was only made payable to him and I haven’t seen anything to suggest that what happened with the cheque when it was cashed was Prudential’s fault because of how it issued and sent it.

But Prudential, by its own admission, could've handled this situation better. It was clear it could've given Mr G clearer information about what was happening. It should also have kept him updated much more pro-actively. The impact of Mr G finding out from his own efforts what happened with the cheque means it must have been a real shock to discover what happened. Really, Prudential should've been the one to tell him that. It certainly knew he was worried about it from the amount of contact it'd had with him to that point.

So Prudential should compensate him for the impact this had. I think £500 is a very fair offer to recognise this. I say this because Prudential can only be held liable for what happened until the cheque was paid and for how it handled the situation surrounding this. There were unavoidable issues here because of the involvement of other businesses. But for the problems that Prudential caused, I think £500 fairly compensates Mr G.

I'm aware that Mr G has been offered a different amount of compensation from another business involved in cashing the cheque. I can understand why Mr G might compare the differing amounts of compensation here. But it's my role to consider each individual complaint based on the circumstances. Having done so here, I think what Prudential has offered is fair.

If this hasn't already been paid to Mr G – he should get in contact with Prudential if he'd now like to accept this.

my final decision

My final decision is that I don't uphold this complaint in the sense that The Prudential Assurance Company Limited doesn't need to do any more than it's already offered to put this complaint right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 May 2019.

James Staples
ombudsman