

complaint

This dispute concerns Mr and Mrs C's life assurance policy held with the Prudential Assurance Company Limited. They do not believe the Prudential made it clear that critical illness cover had been declined for both of them in 2003.

background

Mr and Mrs C purchased the policy through an independent broker in 2003. They originally applied for a life and critical illness policy. However, critical illness cover was declined for Mrs C because of her medical history. Therefore, as it was a joint policy, critical illness cover was not included for both applicants.

Mrs C contacted the Prudential in March 2013 to query the cover available on the policy, as Mr C had become ill. She complained that it had never been explained to her that critical illness cover had been declined for both applicants. She was unhappy because she was under the impression that critical illness cover had been included on the policy from inception for her husband.

Mr and Mrs C were also unhappy that correspondence from the Prudential had been sent to their previous address.

The Prudential explained that it felt it had taken reasonable steps to inform Mr and Mrs C that no critical illness cover was included on the policy for either of them. It also explained that it had sent all correspondence to the address provided by Mr and Mrs C on the application form for the policy.

However, the Prudential agreed it could have provided a higher standard of customer service overall. Therefore, it offered Mr and Mrs C £75 in compensation.

Mr and Mrs C were unhappy with the Prudential's response. They maintained that the Prudential did not make them reasonably aware that critical illness cover was not included for Mr C under the policy. Therefore, they referred their complaint to this service.

Our adjudicator did not uphold this complaint. It was his view that it was reasonable for the Prudential to correspond with Mr and Mrs C at the address they had provided on the application form until such a time that it was advised otherwise. He felt that the Prudential had informed Mr and Mrs C that critical illness cover had not been included under the policy. He was satisfied that it had been made clear that the policy included life cover only.

Mr and Mrs C disagreed with the adjudicator's assessment. They maintained that the policy cover had not been properly explained to them. On this basis, the complaint was passed to me for review.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusions as our adjudicator for the same reasons.

I do not believe it is disputed that Mr and Mrs C's policy does not provide critical illness cover. What Mr and Mrs C are concerned about is that they do not believe they were told that such cover for both parties had been declined.

I have considered the evidence from the time the policy was applied for to decide if the Prudential did make it sufficiently clear what cover was being offered.

Firstly, the documents Mr and Mrs C have provided confirm that they are paying a premium for life cover only. There is no mention of critical illness cover. Mr and Mrs C have confirmed they were provided with a 'right to cancel' document. That document does not say that critical illness cover is included for either applicant.

The Prudential also issued acceptance terms for the policy on 29 July 2003 which clearly state that critical illness cover does not apply to the plan. Mr and Mrs C say they did not receive these terms because they had moved. The Prudential has said that the first time it was notified of a change of address was in late August 2003. Mr and Mrs C say that the doctor appointed to carry out an earlier medical examination visited them at their new address; so Prudential should have known of the new address. However I have not seen evidence that the doctor informed Prudential of this or the documentation exchanged at that time contained the new address. In any event, (as would normally be the case if a financial adviser or broker was involved) Prudential say those terms were also issued to the financial adviser Mr and Mrs C were using to take out the policy. So it does seem to me that Prudential took reasonable actions to make clear the terms it was offering.

It does seem likely that the acceptance terms were notified to the financial adviser and to Mr and Mrs C because in August 2003 Mrs C contacted the Prudential to query the cover, after the acceptance terms had been issued. Therefore, it does seem likely that the financial adviser and Mr and Mrs C were made aware of the terms being offered. As the adjudicator has said, if Mr and Mrs C feel that they have not been correctly informed of the terms by the financial adviser or broker then they would need to take up the issue with that party. It would normally be within the remit of the party arranging their cover for Mr and Mrs C to inform them of the nature of the cover being offered.

my final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

I note that Prudential offered a sum for issues relating to their handling of Mr and Mrs C queries more recently. I believe that offer reasonable and leave it for Mr and Mrs C to decide if they wish to accept that, if they have not already done so.

David Bird
ombudsman