

complaint

Ms R complains that The Prudential Assurance Company Limited failed to return three identity documents to her using a secure postal method. As a result those documents have now been lost.

background

Ms R lives permanently overseas in Europe. In July 2018 she was requested by Prudential to send in some identification documents in order that it could allow her to access a small pension fund. Ms R sent those documents to Prudential using a courier service and requested that they be returned using a similar secure postage method given problems with her local postal system. Prudential however returned the documents by standard airmail, and unfortunately they failed to reach Ms R.

Ms R sent Prudential three documents. She sent a copy of her birth certificate, a cancelled passport showing details of her former married name, and an original deed poll showing the change to her current name. And of course when these documents were returned to her they were addressed to where she is living, so providing details of her current address. Ms R is concerned that the information contained in these documents would be sufficient for a third party to fraudulently obtain a national identity card that could then be used to access various credit facilities.

Prudential has accepted that it was incorrect in failing to use a secure method to return these documents to Ms R and has apologised to her. It has paid her the sum of £300 to reflect the costs of replacing two of these documents – it accepts that her cancelled passport is irreplaceable. Prudential has also offered Ms R the sum of £500 in respect of the trouble and upset she has been caused by this error. And Prudential has assured Ms R that should she experience any difficulties in the future caused by identify fraud it would take steps to ensure any losses were covered.

Ms R didn't accept Prudential's offer for her trouble and upset so she brought her complaint to this Service. It has been assessed by one of our investigators. He thought that the offer Prudential had made to Ms R was fair in the circumstances so he didn't recommend the complaint should be upheld. Ms R didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've also taken into account the law, any relevant regulatory rules and good industry practice at the time.

At the outset I think it is useful to reflect on the role of this Service. This Service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this Service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

It is clear to me that Prudential has acted incorrectly by failing to use a secure postal method when returning Ms R's documents to her. But Ms R has asked that I go further in my assessment and consider whether Prudential's actions were negligent. But I don't think it is necessary or right for me to consider that point. As I said earlier that would be a matter for the FCA to decide. The remit of this Service is to ensure that Ms R hasn't lost out as a result of what happened.

The first step I would expect Prudential to take is to ensure that, where possible, the lost documents are replaced at no cost to Ms R. And I can see that it asked Ms R for what it would cost to replace her documents and paid her that amount, plus some additional costs to reflect the time and effort she would need to spend. I think Prudential's actions here are entirely in line with what I would recommend as being fair.

However, one of the documents – Ms R's cancelled passport in a former name – is not replaceable. And I can understand that the loss of that document might cause a great deal of sadness to Ms R. And I will take account of that when I now go on to consider what I think it is reasonable to ask Prudential to do to reflect the trouble and upset that Ms R has been caused.

Ms R has expressed very clearly how concerned she is that the missing documentation could be used to fraudulently obtain identity documentation. And that documentation could then be used to apply for credit facilities. I understand how stressful this must be for her. And Ms R has explained the impact that this stress has had on her health, and is likely to continue to have for some time to come. So I have taken all that into consideration when thinking about what Prudential should do.

But I need to balance this against the positive and open manner in which Prudential has accepted the mistake it made. And I think the steps it has taken, and the reassurance it has given Ms R for the future, also mitigates some of the upset that has been caused by this error. I am mindful that some time has now passed since these documents went missing and Ms R doesn't appear to have faced any issues so far. But I understand that she will remain concerned for a good time into the future.

Having considered all these factors, and taken account of the levels of compensation this Service would normally award in matters such as this, I have concluded that the offer Prudential has made of an additional £500 is reasonable. I don't think it would be fair for me to ask Prudential to pay anything more. But in saying that I want to be clear that should Ms R incur any additional problems resulting from the loss of her documents then I would expect Prudential to consider the matter of compensation afresh. And I think it would be reasonable for Prudential to provide Ms R with a clear and easy method of raising any future concerns with the business.

my final decision

I think that the offer made by Prudential of £500 for the trouble and upset caused to Ms R is fair. If it hasn't already done so, The Prudential Assurance Company Limited should pay that sum to Ms R.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 4 March 2019.

Paul Reilly
ombudsman