

complaint

Mr K's complaint is that The Prudential Assurance Company Limited ("the business") paid the full surrender value of a jointly held endowment policy to his former partner without his knowledge.

background

The business accepted that it should make an offer to Mr K. It offered to pay Mr K 50% of the surrender value plus £50 for the distress and inconvenience its error caused him. Mr K rejected the offer and came to this service. One of our adjudicators looked at the complaint and concluded that the business' offer was fair in the circumstances. Mr K remains unhappy and has asked that an Ombudsman review the file.

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 find I have come to the same conclusion as the adjudicator before me and for much the same reasons.

Here the business accepts it is right that it should make an offer to Mr K. therefore I do not need to consider that part of the complaint. Therefore the only matter to consider is whether its offer to put things right is fair. It is impossible to know what the *right* redress is. No one knows for *sure* what the correct apportionment of the surrender value of the policy would have been if both parties had a chance to agree a division between themselves, if such an agreement was possible.

It is common however for joint policies to be split equally between the parties. The purpose of redress is to put someone in the position they would have been in but for the business' error. Of course it is possible that Mr K would have received all (or more than 50%) of the value of the policy if the business had done things differently but I think in the absence of evidence to the contrary an assumption of an equal division is fair.

my final decision

It is my final decision that the The Prudential Assurance Company Limited, ("the business") offer of half the surrender value of the policy plus £50 for the distress and inconvenience caused to Mr K is fair and reasonable in all the circumstances of the complaint. I understand the business will, as is usual, add interest at 8% simple from the date of surrender or maturity to the date of settlement.

The offer is still open if Mr K wishes to contact to business to accept the offer he should do so direct.

Mike Boyall
ombudsman