

complaint

Mr D's complaint is that The Prudential Assurance Company Limited (referred to from now on as Prudential) did not give him an enhanced annuity despite having high blood pressure and high cholesterol.

background

Mr D applied for an annuity with Prudential on 14 May 2010.

He completed a medical questionnaire assessing his eligibility for an enhanced annuity on the same date. Mr D stated that he had high blood pressure and high cholesterol and was taking medication for both.

On 18 May 2010, the business wrote to Mr D informing him that he did not qualify for an enhanced annuity.

Mr D signed an annuity acceptance form on 30 May 2010 and this was for an annuity with no enhancement.

Some four years later Mr D rang Prudential to complain about not receiving an enhanced annuity. He said that he thought the business should have contacted his doctor to gather information about his medical conditions which it had not.

The business explained in its final response letter that it was not considered necessary for it to contact Mr D's GP.

Mr D then brought his complaint to the Financial Ombudsman Service.

The complaint was investigated by one of our adjudicators who did not uphold it. He explained that the decision to award an enhanced annuity is a commercial decision made by businesses based on the information it deems necessary.

Mr D did not agree with the adjudicators view arguing that:

- His conditions may be under control at the moment but he is getting older and it is harder to keep these under control.
- His wife also has to monitor his conditions every week and they do vary quite considerably every week.
- He had had to retire early due to his medical conditions.
- If he flies or travels abroad he has to declare his conditions when applying for his insurance.

As an agreement has not been reached the case has been referred to me as an ombudsman.

my findings

I have considered all the available evidence and arguments provided by Mr D and the business in deciding a fair and reasonable outcome to this complaint. Having done so, I have come to the same conclusion as the adjudicator and for the same reasons.

When considering whether an individual is eligible for enhanced annuity rates a business will consider whether the life expectancy of the individual is significantly shorter than the average.

In this case the business reached a decision based on the application form that enhanced annuity rates were not available for Mr D. The business also decided that there was no need to seek further information from Mr D's GP.

If having come up with an annuity rate in 2010 Mr D was able to get a better rate elsewhere then he was able to transfer his funds elsewhere if he wished.

The business considered all of the evidence that it was given and its underwriters decided that no enhancement was appropriate. It also considered that there was no need to get further information from Mr D's GP.

I note the comments that Mr D has stated with regards to travel insurance but this is a different contract and is not relevant to my decision here.

It is not my role as an ombudsman to query a commercial decision taken by the Prudential underwriters not to offer Mr D an enhanced annuity rate based on the information that it received.

my final decision

I do not uphold this complaint against The Prudential Assurance Company Limited and I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 11 May 2015.

Adrian Hudson
ombudsman