

complaint

Mr C's complaint about The Prudential Assurance Company Limited ("Prudential") concerns the service he received in July and November/December 2011 when he attempted to surrender his policy. Mr C says that he was repeatedly given incorrect information on both occasions and believes that misleading customers in this way is institutionalised within Prudential.

Mr C says he was forced to abandon the first attempt to surrender the policy in July 2011 when it became clear Prudential was not going to be able to complete the process within the required timeframe and had to take a mortgage and incur the associated costs instead. With regard to the second attempt that was successful, Mr C is unhappy with the time it took to receive his money but says the delay on this occasion did not result in him incurring additional costs.

background

Before the complaint was referred to us, Prudential said it was satisfied it had dealt with the surrender requests in reasonable time, but did accept it had given Mr C some incorrect information when he was attempting to chase payment over the telephone. It said it would send Mr C a cheque for £100 in recognition of the poor service he received.

Our adjudicator did not recommend the complaint be upheld. He believed Mr C's requests were processed within a reasonable timeframe and that Prudential's requests for additional information were reasonable.

Mr C did not accept the adjudicator's assessment, saying his main concern is with the incorrect information he was given rather than the delays in fulfilling his surrender requests. Nonetheless, he repeated his view that the delays were unreasonable and that the problems he encountered in July 2011 left him needing to take out a mortgage.

my findings

To decide what is fair and reasonable in this complaint, I have carefully considered everything Mr C and Prudential have provided. Having done so, I agree with the adjudicator's conclusions for similar reasons. Rather than attempting to address every individual issue Mr C has raised, my decision will concentrate on the issues that I believe are central to the outcome of the case.

Before going any further, it is important to establish that the Financial Ombudsman Service is not the industry regulator. This means we do not set or police the rules financial businesses must follow. It also means we do not fine or punish businesses for acting incorrectly. These areas are the responsibility of the Financial Conduct Authority. Instead, our role is to consider individual complaints and to reach an outcome that is fair and reasonable in the circumstances of each case. If we believe a business has made an error, the principal aim of any award we make is normally designed to address any loss suffered as a result of that error.

I note Mr C's belief that Prudential habitually provides inaccurate information to consumers, but I believe this is an issue that would be more appropriately addressed to the regulator. With regard to its specific dealings with Mr C, Prudential accepts he was given misleading information on a number of occasions. In particular:

- when he was told a letter would be issued in November 2011, but dispatch was actually delayed by a few days;
- regarding information he was given about the service provided by Royal Mail;
- when he was told Prudential could not accept personal delivery of documentation at its offices;
- when he was wrongly told his cheque would not be issued on the same day; and
- when he was told the cheque had been posted when it had not.

While I fully appreciate that providing incorrect information is unacceptable and that this must have been very frustrating for Mr C, I have seen nothing to suggest that this actually resulted in him losing money. Nonetheless, it is clear the problems Mr C experienced caused him a degree of distress and inconvenience. Our general approach to awards for distress and inconvenience is that amounts should be modest and I am satisfied the £100 already paid by Prudential is fair and reasonable in the circumstances of this case and in line with what I would award if no payment had been made. If Mr C did not cash the original cheque and this is now out of date, I would expect Prudential to issue a replacement if requested to do so.

While I understand this is not the main issue of Mr C's complaints, for the sake of completeness I have considered the sequence of events when Mr C attempted to surrender his policy and make the following comments:

July 2011

Prudential's published service standard for processing surrender requests was five working days, although I cannot see this timescale was guaranteed. Its surrender forms also indicated that a further three to five working days should be allowed for the direct credit of payments to a bank account.

It is my understanding that Prudential requested further information from Mr C to verify his identity within five working days of receiving his surrender form and it was at this point the request was cancelled. By considering his form and requesting further information within five working days, I am satisfied Prudential met the initial part of its published timescale. Further, I am conscious that Prudential has a responsibility to ensure payment is made to the correct person. Setting its own procedures relating to specific requirements was a matter for Prudential's commercial judgement, but I have seen nothing to suggest the additional information it requested was unreasonable in the circumstances.

I note Mr C says he needed to take a mortgage because Prudential was not going to be able to provide his money as quickly as it was needed, but for the reasons explained I do not believe Prudential failed to meet its published timescales or that it otherwise acted with undue delay. As a result, I do not believe it should be held responsible for any additional costs Mr C incurred.

November/December 2011

Again, it appears Prudential processed Mr C's original application and produced a letter requesting further information (a bank statement for the account he had requested the money was paid into) to confirm his identity within five working days.

There was a delay in that letter being sent, but Mr C wrote to Prudential within three days of the production date with a statement. Unfortunately, this was for a different account to the one he had asked Prudential to pay the proceeds into. As a result, Prudential was unwilling to complete a bank transfer and instead arranged for a cheque to be sent. It is my understanding that the cheque was received within 13 working days of the date Mr C originally completed the claim form.

While Mr C undoubtedly incurred some issues with the surrender as discussed above, I am satisfied Prudential completed its initial review of the complaint within its published timescale. I also believe the overall timeframe for payment to be made and received was reasonable, particularly given that further information was required and that the statement provided by Mr C related to a different account. I note Mr C has said that the delays in surrendering the bond did not cause him to incur additional costs on this occasion.

my final decision

My final decision is that I do not uphold this complaint or make any award.

Jim Biles
ombudsman