

## **complaint**

Mr J and Miss K complain that the policies arranged on the life of their late mother by The Prudential Assurance Company Limited were misleading because they were expected to cover the costs of their late mother's funeral. They make this complaint as the executors of their late mother's estate.

## **background**

The mother of Mr J and Miss K's mother took out two life policies with The Prudential – the first in 1933 and the second in 1946. The premium under each policy was one penny each week and the policies were described as "*Whole Life Assurance on Life of Another for Funeral Expenses with Bonus Participation*" and the life assured under both policies was Mr J and Miss K's mother's. The sums assured under the policies were fifteen pounds and twelve pounds and eight shillings. When their mother passed away, Mr J and Miss K, as the executors of her estate, received £1,302.47 from The Prudential but the funeral costs were £3,020. They complained to The Prudential but were not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that The Prudential was only required to pay the sums assured and any bonuses which had accrued under the policies and that it was not required to cover the open-ended costs of a funeral.

Mr J and Miss K have asked for their complaint to be considered by an ombudsman. They say, in summary, that the policies are described as "*Whole Life Assurance...for Funeral Expenses*" so The Prudential should pay for the funeral expenses that they incurred.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The policies were taken out in 1933 and 1946 and the sums assured were 15 pounds and twelve pounds and eight shillings plus accrued bonuses. The policies were described as life assurance for funeral expenses and The Prudential has paid £1,302.47 to Mr J and Miss K's mother's estate.

Despite the name of the policies, I do not consider that it was ever the intention of the parties that the policies would cover all and any funeral expenses – rather that they were intended to help with paying the funeral expenses. Under the policies, The Prudential agreed to pay the sums assured and any accrued bonuses when Mr J and Miss K's mother passed away. It says that it has paid the correct amount to Mr J and Miss K's mother's estate. I am not persuaded that The Prudential agreed to cover all of Mr J and Miss K's mother's funeral costs – the policies do not say that it would pay an amount higher than the sums assured plus accrued bonuses - and I do not consider it to be likely that it would have agreed to pay an unlimited amount to cover the policyholder's funeral costs.

I consider that The Prudential has acted in accordance with the terms and conditions of the two policies and I am not persuaded that there is enough evidence to show that The Prudential has paid the incorrect amount to Mr J and Miss K's mother's estate. It is likely that Mr J and Miss K's mother received regular statements from The Prudential showing the accrued bonuses and, if those amounts were lower than she expected, she would have been able to make alternative arrangements.

I sympathise with Mr J and Miss K that their mother has passed away and I can understand their disappointment that the policies have not covered all of the funeral costs if it was their understanding that they would do. However, I do not consider that The Prudential has acted incorrectly and I do not consider that it would be fair or reasonable for me to require it to pay any additional amount to the estate or to cover all of the funeral expenses.

**my final decision**

For these reasons, my decision is that I do not uphold Mr J and Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr J and Miss K to accept or reject my decision before 13 March 2015.

Jarrold Hastings  
**ombudsman**