

## **The complaint**

Mrs P has complained that Robert May Financial Services mis-advised her when taking out a life assurance policy in 2010.

## **What happened**

Mrs P was sold a life assurance policy, which she wanted for the protection of her family. She wanted to ensure her mortgage would be paid off in the event of her ex-husband's death - so he was the life assured - but she was the beneficiary. Mrs P discovered recently that this wasn't correct. The insurer confirmed the proceeds of the policy would go to the estate of her ex-husband.

Robert May Financial Services has suggested this can be rectified by the policy being put in trust. As Mrs P's ex husband will not agree to this she feels that she has been paying for protection she will never benefit from.

Our investigator agreed. She was satisfied Mrs P had been mis-advised. She recommended Robert May Financial Services refunded the equivalent amount that Mrs P had paid in premiums from the start of the policy to date plus interest, as well as £250 compensation for the distress and inconvenience Mrs P had suffered.

Robert May Financial Services didn't agree. It said:

- It is not clear if the error in setting up the policy was down to Robert May Financial Services making an inputting error or the insurer making a mistake in setting up the policy.
- Notwithstanding that the policy has been set up with the wrong plan owner, Mrs P has suffered no loss as she hasn't needed to make a claim.
- The matter can be quickly and easily resolved by the parties signing a trust document.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so I am upholding this complaint for the following reasons:

- It is not in dispute that Mrs P has not needed to claim on the policy. However I'm satisfied that if properly advised that she would be paying for a policy she wouldn't benefit from and which wouldn't meet her stated requirements she wouldn't have taken the policy out in the first place.
- The matter can't be resolved now by setting up a trust as Mrs P's ex-husband has not agreed to this. It may be this would have been possible at the time of sale, but

Mrs P wasn't told it was a requirement at that time. Rather she was assured this plan would meet her needs, which was incorrect.

- It's clear from the application form completed at the time of sale that Mrs P was to be the plan owner but Mr P the life assured. The premiums were to come from Mrs P's account. The answers to the questions on the form make it clear that Mrs P and Mr P were separated and living at different addresses. Robert May Financial Services has said it has no reason to doubt that it requested the plan to be set up correctly with Mrs P as the plan owner. I haven't seen the application form submitted by the adviser's secretary to the insurer. But the documentation received from the insurer when the application was received refers to Mr P as the client of Robert May Financial Services. This was incorrect and should have alerted Robert May Financial Services to the mistake at that time.
- As the policy was set up with Mr P as the policy owner, and this wasn't corrected by Robert May Financial Services, the advice it gave Mrs P that the arrangement would meet her needs in the event of Mr P's death was incorrect.
- I'm satisfied this matter has caused Mrs P distress and inconvenience for which compensation is due. I find that £250 is fair in all the circumstances.

### **My final decision**

My final decision is that I uphold this complaint. I require Robert May Financial Services to:

- Pay Mrs P the equivalent to all the premiums she has paid for the policy from inception.
- Add interest at 8% simple per annum from the date each premium was paid until the date of settlement.
- Pay Mrs P £250 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 13 December 2022.

Lindsey Woloski  
**Ombudsman**