

The complaint

Mr C has complained that Openwork Limited trading as Owl Financial ('Owl') mis-sold an income protection insurance policy to him.

What happened

Mr C took out an income protection insurance policy through Owl in August 2020. The advised sale took place via video call and Owl recommended a policy which Mr C took out.

In 2022, Mr C made a claim but the insurer declined the claim. So he contacted Owl to complain about the sale of the policy. He told Owl the policy had been cancelled as he hadn't been registered with a UK GP for two years at the time the policy was sold.

Owl looked into the complaint but didn't think the policy had been mis-sold. However, it offered Mr C £400 compensation for the delay in dealing with his formal complaint.

Unhappy, Mr C referred his complaint to this Service. Our investigator looked into the complaint but didn't think Owl had mis-sold the policy. And he thought the compensation offered for the delay in dealing with the complaint was reasonable.

Mr C disagreed and asked questions about a different policy he'd taken through Owl at the same time and whether that was still active.

An agreement couldn't be reached so the case has been passed to me for a final decision.

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 don't think this complaint should be upheld. I'll explain why.

The relevant rules say a seller should ensure the policy is suitable during an advised sale.

The sale took place via video call and a recording of that call isn't available. So I've considered the documents available from the time of the sale. This includes a fact find and a summary of the advice and the recommendation made.

This information confirms Mr C's personal details, his income and budget. An insurance policy was recommended which confirmed that a cheaper policy was available but Mr C wasn't eligible because:

"Customer ineligible...3 years GP registration and UK stay."

During its complaint investigation, Owl explained it had spoken to the adviser involved in the sale who confirmed Mr C thought he'd been registered with his GP for more than two years but not for three years. This is why the cheaper policy wasn't suitable and the policy which was recommended was based on Mr C's belief that he had been registered with his GP for 2

years.

Having considered the above, I think it's more likely than not that Mr C did tell the adviser he'd been with his GP for 2 years. This is because the adviser couldn't recommend the cheaper policy due to the 3-year GP registration requirement. I think this would have prompted questions about how long Mr C had been registered with a GP if he hadn't been registered for 3 years.

So based on all of the above available information, I think the recommendation made by the adviser was suitable based on the information provided by Mr C and his needs.

Owl also offered £400 compensation for the delay in dealing with Mr C's complaint which I consider is reasonable taking into account the length of time it took to send its final response. If this hasn't already been paid and Mr C wishes to accept the offer, he should contact Owl to arrange payment.

In response to the investigator's view, Mr C has asked about a different policy. I can see Mr C took two policies out at the same time through Owl but this decision is limited to the complaint about the income protection insurance policy. If Mr C has a complaint about the other policy Owl sold, that would need to be raised and considered separately.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 August 2023.

Shamaila Hussain
Ombudsman