

## **The complaint**

Mr and Mrs S have complained that Advance Mortgage Funding Ltd trading as PRIMIS Mortgage Network ('PRIMIS') mis-sold their policies to them.

All references to PRIMIS include any agents acting on its behalf.

## **What happened**

Mr and Mrs S sought advice from PRIMIS in 2020 in relation to their financial protection needs. They wanted to review their current protection and take out additional protection for new borrowing.

PRIMIS made a recommendation which Mr and Mrs S accepted. But when Mr S provided additional information, the cost of the new protection increased and was no longer affordable. So amended cover was agreed, with increased premiums and reduced cover.

Mr and Mrs S complained to PRIMIS after another review by a different adviser. They complained that the policies which were sold in 2020 were more expensive and provided less cover than their original protection.

PRIMIS looked into the complaint and accepted that Mr and Mrs S' original life cover didn't need replacing. It apologised and paid the difference between the cost of the cover taken in 2020 and the original cover, plus interest. It said the rest of Mr and Mrs S' protection needs were correctly assessed and suitable advice was given for their critical illness cover and cover for their new borrowing.

Unhappy, Mr and Mrs S referred their complaint to the Financial Ombudsman Service. Our investigator looked into the complaint and found that PRIMIS had remedied its mistake by refunding the difference in premiums. But he also said PRIMIS should pay £150 compensation for the distress and inconvenience caused to Mr and Mrs S.

PRIMIS disagreed to paying compensation for distress and inconvenience and in summary, it said it had provided an appropriate remedy by refunding the difference in premium plus interest. It referred to other decisions published on our website.

Mr and Mrs S said they would be paying increased premiums on an ongoing basis as a result of PRIMIS' error.

And 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 uphold this complaint in part. I'll explain why.

- The relevant rules say a seller should ensure its advice is suitable, in an advised

sale.

- PRIMIS accepts the life cover was mis-sold and has remedied this by providing a refund of the difference between the cost of the policy Mr and Mrs S had originally and the cost of the new policy, up to the point it was cancelled, plus interest. I am satisfied this is a suitable and appropriate remedy in the circumstances. PRIMIS has put Mr and Mrs S in the same position they were in with their original cover, in relation to the cost of it.
- For the rest of the cover, I agree that it was suitable based on what Mr and Mrs S told their adviser. They wanted individual (a policy each) increased protection for critical illness cover and cover for their new borrowing. The fact find and illustration set out what was discussed, and I am satisfied that PRIMIS acted on the information provided by Mr and Mrs S. Mr S later provided additional information once the policies had been put in place which increased the premiums for critical illness cover. This isn't something I can hold PRIMIS responsible for so I don't think it provided unsuitable advice in relation to the remainder of the policies.
- Mr and Mrs S say PRIMIS should have asked for copies of their existing policies before giving advice. I have seen that PRIMIS did ask Mr and Mrs S about their existing protection but they couldn't find their documents. So the adviser acted on the information available, which isn't unreasonable.
- Mr and Mrs S say they will be paying increased premiums on an ongoing basis. But Mr and Mrs S have increased their level of borrowing and have replaced their policies for life cover again. I don't think PRIMIS can be held responsible for the ongoing increased premiums as these relate to the new borrowing. It's likely that their premiums were always going to increase as a result of increased borrowing. So I don't think PRIMIS needs to do anything further in relation to the premiums.
- Our investigator recommended £150 compensation for the distress and inconvenience caused to Mr and Mrs S. PRIMIS suggests that compensation for non-financial loss shouldn't be paid in addition to a remedy for a financial loss and has provided case references for other cases at the Financial Ombudsman Service. I should say that each case is decided on its own facts and we don't set precedents. Compensation for distress and inconvenience is assessed in each individual case, as set out in detail on our website. It is awarded to recognise the impact on the specific individuals involved. This award may be different in cases even where the circumstances are similar.
- In this case, I am satisfied that the impact of the poor advice in relation to the life cover did cause some distress and inconvenience to Mr and Mrs S as they would have felt shocked and disappointed when they realised they had been paying more for the same cover they had previously, at a lower cost. I don't think the impact of finding out this information was long lasting and PRIMIS did remedy the problem quickly. That is why I think a payment of £150 compensation is appropriate in the circumstances of this case.

### **My final decision**

For the reasons set out above, I uphold this complaint in part and direct Advance Mortgage Funding Ltd trading as PRIMIS Mortgage Network to pay Mr and Mrs S a total of £150 compensation for the distress and inconvenience caused to them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to

accept or reject my decision before 8 December 2023.

Shamaila Hussain  
**Ombudsman**