

The complaint

Miss A has complained that National Westminster Bank Plc is-sold her decreasing term assurance policy in 2008.

What happened

The background to this complaint is well known to the parties so I won't repeat it in detail here. In summary Miss A believes she should have been sold an endowment policy rather than a decreasing term assurance policy.

Our investigator didn't recommend that the complaint was upheld. She found the policy benefit matched the value of the mortgage that it was taken out to protect. Miss A appealed. She said that NatWest sold her a policy that wasn't right for her. She always thought she would get some money back at the end of her mortgage and only recently found out this is not the case.

As no agreement has been reached the matter has been passed to me to determine.

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.

Firstly I'm aware I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our statutory function is to resolve complaints quickly and with minimum formality and our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Having done so, and although I recognise that Miss A will be very disappointed by my decision, I agree with the conclusion reached by our investigator for the following reasons:

- Miss A feels that she was mis-advised in relation to the sale of her term assurance policy. However I'm satisfied that this was a non-advised sale – this means that NatWest didn't provide advice or make a recommendation to Miss A. It didn't need to ensure that the policy was suitable for Miss A's needs. Nevertheless it did need to provide information about the product she selected and this needed to be clear, fair and not misleading. Accordingly I've looked carefully at the documentation that Miss A was given to see if it met these criteria.
- I understand that Miss A believed she should have been sold an endowment policy, she had had two endowments previously. But she had applied for life cover, and the term and amount of that cover matched those of the mortgage she had applied for. The policy documents that she was sent, including the policy schedule and terms and conditions did clearly explain that the product she had applied for was decreasing term assurance. So I'm satisfied that

Miss A was able to make an informed choice about the policy she was purchasing.

- NatWest wrote to Miss A in September 2008 advising that it was pleased to accept her application. It enclosed its acceptance terms and asked Miss A to check carefully to ensure they were accurate and met her needs. Likewise, the cover letter sent with the policy booklet asked Miss A to check the policy carefully to ensure that it met her requirements. Had she decided that this was not the product she wanted, she had the opportunity to cancel, and this was also explained in writing.
- I recognise that Miss A thought she would have some money back from this policy and realises now that is not so. She feels too that the policy is only suitable for someone with children. But as indicated above NatWest didn't provide advice, and I find that the documentation it sent was clear. I'm sorry to disappoint Miss A but in all the circumstances I don't find that NatWest did anything wrong. This being so there is no basis for me to require it to take any further action.

My final decision

For the reasons given my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 28 February 2024.

Lindsey Woloski
Ombudsman