

The complaint

Mr A complains that Mortgage Advice Bureau Limited trading as Mortgage Advice Bureau (MAB) mis-sold him an income protection policy.

What happened

Mr A took out an income protection policy around the same time that he took out a mortgage. Following an accident at work Mr A claimed on the policy. His claim was subject to a six-month deferred period. Mr A complained because he said the policy had been mis-sold as the implications of the deferred period weren't properly explained to him.

MAB said the policy hadn't been mis-sold. They said the policy was recommended to Mr A based on the information he provided. And, they said the deferred period was discussed with Mr A. Unhappy, Mr A complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He didn't think the policy had been mis-sold as the advisor relied on the information Mr A had provided about his financial circumstances when making his recommendation.

Mr A asked an ombudsman to review his complaint. He said the policy had been mis-sold and that the underwriter of the policy had commented on this. So, the complaint was passed to me to make a 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.

MAB gave Mr A advice about the policy. The relevant rules and industry guidance say that they needed to ensure the policy was suitable for Mr A's demands and needs. And they also needed to give him clear, fair and non-misleading information about the policy so that he could decide if it was right for him.

I'm not upholding this complaint because:

- Mr A's mortgage was approved before he took out the income protection policy. And there's no compelling evidence that Mr A was told he had to take out the policy. So, I'm not persuaded that the advisor said the mortgage was conditional on the income protection policy.
- I think the policy he recommended was suitable for Mr A. The advisor completed a detailed review of Mr A's circumstances, including gathering information about his savings, a buy to let property Mr A owned and information about how he planned to cover his expenses if he was unable to work.
- Based on the information Mr A provided, I think the advisor reasonably concluded Mr A didn't need an income protection policy which would pay out straight away.

The information Mr A provided suggested that he had other sources of financial support available which would enable him to manage financially during the deferred period. So, I don't think the advisor acted unreasonably when recommending this policy to Mr A.

- The policy documentation sent to Mr A also contained information about how the deferred period worked. For example, the 26 week deferred period was clearly set out on Mr A's personal quotation. Therefore, I think this information was also made sufficiently clear from the policy documentation.
- Mr A has mentioned that the advisor may have financially benefitted from the sale. The personal quote explained that the insurer would pay commission to the seller of the policy and set out how much that would be. So, I'm satisfied this information was provided to Mr A before he took out the policy.
- I've considered what Mr A has said about the underwriter of the policy expressing the view that the policy was mis-sold. But it hasn't changed my thoughts about the outcome of this complaint. I've not been provided with any evidence that Mr A couldn't have claimed because he was self-employed. And, in any event, for the reasons I've outlined above, I think the policy was suitable for Mr A's demands and needs.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 February 2024.

Anna Wilshaw
Ombudsman