

## The complaint

Mr K complains about an Individual Savings Account ('ISA') he started with the Metropolitan Police Friendly Society Limited trading as Metfriendly. He says that the information he relied on when he started this policy was misleading as it didn't mention the possibility of a Market Value Reduction ('MVR').

## What happened

Mr K opened the ISA in June 2021. When he did this, he says he relied on an information document called *'make the most of your 2022/2023 tax-free allowance'*. He says this document does not say that an MVR could be applied if he wanted to withdraw (any amount) from the investment. He says that if he had been informed that an MVR could be applied, he would not have taken out the policy.

In July 2023, Mr K enquired about cashing in the policy, but he was told that if he did this then the surrender value would be reduced by an MVR. He made his complaint shortly after receiving this information.

Metfriendly initially said that information about the MVR was included in the risk section of the product particulars document. And Mr K would have received this when he started the ISA. Mr K has said that he didn't receive policy documents when he opened the investment.

Metfriendly went on to consider Mr K's complaint and it didn't uphold it. It said that Mr K applied for the policy online. When he did this, he would have been directed to the section of the website which had copies of the documents that explained the with-profits fund and the possibility of an MVR being applied. It thought it had provided the correct information to Mr K at the time of sale. It also provided copies of the policy documents and some further information about the current MVR and the policy value.

Mr K didn't agree with this and brought his complaint to the Financial Ombudsman Service.

One of our Investigators considered Mr K's complaint but didn't uphold it. He said that Mr K had applied online for the ISA and so it would be up to him to make sure he read all the information available about it. The information page for the ISA did provide a link to the product particulars document that explained an MVR could be applied. He thought Metfriendly provided Mr K with enough information about the MVR, and the ISA itself, before he invested, to have enabled him to make an informed decision about it.

Mr K responded and didn't agree. He said that he applied for the ISA over the telephone and Metfriendly gave him advice, and so he wouldn't have seen the online documents. And it didn't provide any policy documents by post and so it didn't inform him about the MVR at all.

Our Investigator asked for some further information about how Mr K started the policy and the telephone calls he referred to. Metfriendly provided copies of the policy documents it said it had posted to Mr K. It noted that within these was a document for Mr K to sign to verify his signature. He signed and returned this a week later. It also provided the telephone calls that took place around the time of the ISA was opened and said these were not advice calls.

Our Investigator considered this further information and said that the telephone calls were only about whether Mr K was referred by an existing policyholder of Metfriendly and so could receive a bonus. There was no discussion about the sale of the plan in them and Mr K wasn't given advice to start the ISA. He also thought that was likely that Mr K received the policy documents as he did respond to Metfriendly's information request that was in these.

Mr K maintained that he wasn't provided with information or policy documents when he applied for the ISA. As no agreement has been reached, the complaint has been passed to me to issue my 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.

It's firstly worth noting that the ISA does allow Metfriendly to apply an MVR. So, it isn't acting incorrectly when it has said it would do this. The crux of the complaint is whether Metfriendly informed Mr K about this at the time of sale.

Metfriendly has provided a copy of the online application form that Mr K completed. And the calls I've referred to above aren't about the sale of the policy. In one of the calls Mr K refers to the online application he is completing for the ISA. So, I think Mr K did apply for the policy online, rather than over the telephone. I've not seen any persuasive evidence that Metfriendly advised Mr K to open the ISA.

This means that Metfriendly didn't have to ensure that the plan was suitable for Mr K, and it wouldn't be proactively providing information to him. Mr K would be making the decision to invest himself after considering the information that Metfriendly made available on its website.

I've considered if this information explains the possibility that an MVR could be applied on withdrawals from his plan. As Mr K has said the '*making the most of your ISA allowance*' document doesn't contain information about this.

But this wasn't the only information that Metfriendly provided. I've been shown the webpage that Mr K would have seen when he applied for the ISA. This shows general information about the product and links to more detailed information about it. The Product Particulars document is available here and it says that '*...we reserve the right to apply a Market Value Reduction (MVR) during a period of adverse investment experience...*'. So, this information was made available to Mr K before he invested in the ISA.

And the links to these documents are reasonably prominent. They are placed just above the 'apply now' button on the website. So, I don't think that Metfriendly has misled, or provided incomplete information to Mr K. And it has taken reasonable steps to bring the information it did provide to Mr K's attention.

Mr K said he didn't receive copies of the policy documents after he had started the policy. I'll firstly say that by the time policy documents would have ordinarily been provided Mr K would have made his decision to invest. So, this information, whilst important, was far less likely to have affected his decision to invest.

And the documents I've seen show that it's likely Mr K was provided with these in any event. In particular, he did complete and return an information request that would have been provided with the policy documents.

Taking everything into consideration, I don't think that Metfriendly has done anything wrong here. I don't think it has provided misleading or incomplete information and it is acting within the terms of the investment when it proposed to apply an MVR on any surrender Mr K might make. I'm therefore not upholding Mr K's complaint.

### **My final decision**

For the reasons set out above, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 March 2024.

Andy Burlinson  
**Ombudsman**