

## **The complaint**

Mr V complains that The Ancient Order of Foresters Friendly Society Limited, trading as Foresters Friendly Society, ("Foresters"):

1. Mis-sold him a with profits endowment policy.
2. Didn't pay him the correct amount on maturity.

## **What happened**

Mr V took out a with profits endowment policy in October 1998. The sum assured was £2,856.09.

The policy matured in October 2023 and Mr V received £3,983.98. He complained that this was lower than the surrender value shown in his 2022 annual bonus statement. He thought he should receive more, and he thought the policy had been mis-sold to him.

Foresters said that it didn't advise Mr V to take out the policy. He would have chosen to take it out and he selected the sum assured based on the premium he was willing to pay. It said it had paid Mr V the correct amount on maturity. The amount Mr V thinks he should receive is the surrender value in June 2022. It said that that value wasn't guaranteed and was higher than in 2023 because the market conditions were better.

Our investigator didn't recommend that the complaint should be upheld. She concluded that the policy had been sold on an execution only basis many years ago and that there was no documentation from the time of the sale so she couldn't agree it had been mis-sold. She said the policy had lost value between 2022 and 2023 due to market conditions and that the value in the 2022 annual bonus statement wasn't guaranteed.

Mr V didn't agree. He felt that Foresters had unfairly deducted bonuses that had already been added to the policy.

## **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 considered everything, I find I have come to the same conclusion as the investigator for the following reasons:

Mr V took out the policy in 1998. Foresters is not required to keep records indefinitely and, given the policy was sold so long ago, it's not surprising it can't provide documents from the point of sale. In circumstances like this, where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Foresters told us it didn't provide advice when it sold its policies. It would have been Mr V's

decision to take out the policy and he would have chosen the monthly premium and sum assured. I've not seen anything which would lead me to conclude that he wasn't given enough information at the time to make an informed decision. It follows I can't conclude the policy was mis-sold.

On maturity, in October 2023, Mr V was due to receive the sum assured, plus reversionary bonuses allocated annually throughout the life of the policy, an interim bonus to cover the part year at the end of the policy term, and a discretionary terminal bonus. As detailed in the maturity value breakdown, Mr V received:

Sum assured	£2,856.09
Reversionary bonuses	£299.47
Interim bonus	£15.84
Terminal bonus	£796.80
Total	£3,983.98

I'm satisfied Foresters paid him the correct amount on maturity.

During the life of the policy, Mr V received annual statements. These included a surrender value calculated as at the valuation date. The explanatory notes are reasonably clear that "*The surrender value is not guaranteed and can change at any time*". I'm satisfied that Mr V could've chosen to surrender the policy at any time before maturity. And I'm satisfied that there's nothing to suggest the maturity value would be the same as, or higher than, the surrender value.

The policy consisted of a life policy and an investment which was subject to price fluctuations. Unfortunately the value of that investment decreased during 2022 and 2023 in line with market conditions at that time and this affected the maturity value of Mr V's policy.

I appreciate it was disappointing for Mr V to receive less than the June 2022 surrender value. But I'm satisfied he's received the amount on maturity that he should have, and that Foresters hasn't treated him unfairly or unreasonably.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 30 October 2024.

Elizabeth Dawes  
**Ombudsman**