

The complaint

Mrs J complains that Aviva Life & Pensions UK Limited mis-sold two Guaranteed Over 50 Plans.

What happened

Mrs J purchased a Guaranteed Over 50 Plan in 1997. And, in August 1998, purchased a second policy with the same business. Although the plans were purchased through another business, Aviva has taken on the responsibility for dealing with any complaints about the plan. Therefore, any reference I make to Aviva can be taken as a reference to the business that Mrs J purchased the plan from.

Mrs J, represented by her daughter, complained to Aviva that she had paid more in premiums than the guaranteed life cover provided by the plans. Mrs J felt the policies had been mis-sold. Aviva didn't uphold Mrs J's complaints. It said the policies were purchased on a non-advised basis and the documentation provided to Mrs J at the time of the sales explained that if she lived long enough, the total premiums she paid will be greater than the amount payable on death.

Mrs J's representative brought the complaint to the Financial Ombudsman Service. One of our Investigators looked into things and thought that Aviva hadn't mis-sold the plans to Mrs J as they were purchased on a non-advised basis. The Investigator thought that Aviva did provide warnings that the premiums could exceed the amount of life cover provided. Mrs J's representative asked that an Ombudsman decides the complaint and it has been 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.

I understand Mrs J and her representative will be disappointed, but I've decided that Aviva hasn't done anything significantly wrong. I will now explain why.

The Guaranteed Over 50 Plan is a whole of life plan that provides immediate life cover without a medical. After two years it provides a guaranteed sum payable on death. It can be cashed in at any time, but it's likely that a consumer would get back less than what has been paid in as the plan is designed to provide life cover.

Mrs J purchased two separate policies with Aviva. Mrs J's representative believes the policies were sold by a representative of Aviva who visited Mrs J at the time. However, I'm persuaded the application form Mrs J signed and the Key Features Document ('KFD') from the time support that the 1997 plan was more likely than not purchased through an advert in a publication. I think it's more likely than not that the second plan Mrs J purchased in 1998 happened after Aviva sent her an offer to take out an additional plan. The application forms for each plan gave Mrs J the opportunity to select the level of premium she wanted to pay and explained what level of life cover she would get for the premium. Because of this, I'm

satisfied the plans were purchased on a non-advised basis. I can't hold Aviva responsible for the suitability of the plans as it didn't advise Mrs J to purchase them. Instead, Aviva offered Mrs J the opportunity to purchase the plans. So, I can consider whether the information Aviva provided to Mrs J contained sufficient information for her to make an informed decision whether or not the plan was suitable for her needs at the time.

When offering policies like the Guaranteed Over 50 Plan to consumers, I would expect Aviva to provide a KFD giving a consumer enough information to make an informed decision about the suitability of the plan. In this case, the application forms Aviva provided Mrs J – in 1997 and 1998 – included a KFD that explained, *"If you live long enough the total premiums paid will eventually be greater than the amount payable on death."* Along with this warning, which was highlighted in the 'Risks' section of the KFD, Aviva also provided examples of what could happen if a plan were cashed in early or if a plan ran for many years. Taking into account the application forms and KFDs, I'm persuaded Aviva did provide Mrs J with information that was clear, fair, and not misleading. And I'm satisfied this information was sufficient for her to make an informed decision about whether the plans were suitable for her needs at the time.

The plans have now been surrendered. I acknowledge the surrender values were a lot less than Mrs J and her representative believe they should have been. But, in the early years of the plan the life cover was considerably higher than the total of the premiums Mrs J had paid, and I'm satisfied the KFDs clearly explained this risk to Mrs J.

My final decision

For the above reasons, I've decided Aviva Life & Pensions UK Limited hasn't done anything significantly wrong.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 4 December 2024.

Paul Lawton
Ombudsman