

The complaint

Mr C complains about two whole-of-life over 50 plans bought through Phoenix Life Limited (trading as SunLife) between 2005 and 2007. Mr C is unhappy he will be paying more in premiums than the amount that will be paid out upon death.

What happened

In September 2005, Mr C bought a Guaranteed Over 50 Plan from SunLife. The policy cost £18 per month and upon death provided a guaranteed sum of £3,620. In April 2007, Mr C took out another policy costing £32 per month with a guaranteed sum of £6,390.

In February 2024 Mr C contacted SunLife to discuss that he would likely be paying more than what he will be receiving. In April 2024, a follow up conversation was had between both parties before SunLife issued their final response not upholding the complaint.

SunLife said the policies were taken out on a direct sale basis so no advice was given. They provided literature, including the full terms and conditions, as well as a welcome pack including the policy documents and key features explaining the policies. The policies included a 30 day cancellation period should Mr C have decided they were unsuitable for him.

Mr C brought his complaint to this service, which wasn't upheld by one of our investigators. Mr C disagreed and requested an ombudsman's decision. So, his complaint has come to me to consider everything afresh and issue a 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.

I know Mr C will be disappointed, but for the reasons I've set out below, I don't uphold his complaint.

SunLife have said the plans were taken out in response to a marketing campaign and it didn't provide advice to Mr C to take out either policy. Unfortunately, due to the passage of time, much of the point-of-sale documentation including the welcome packs are no longer available.

Given these policies were both taken out over some 15 years ago it's unsurprising that there isn't a full record of all the information. Where there is missing information, I've come to a decision based on what is available and on the balance of probabilities about what I think is most likely to have happened.

I also think it's important to say that the lack of certain pieces of information doesn't mean a complaint will be upheld. I would need to be persuaded by all the available evidence that an error was made, however that's not the case here.

SunLife have been able to provide a copy of the application form Mr C completed for the

2005 policy and terms and conditions (including the policy summary) relevant to both policies. I think the information on the application form makes it clear that no advice was being given and suggested Mr C needed to have read and understood the enclosed brochure and key features leaflet to see if he was happy the plan met his needs. I think it's reasonable to assume the 2007 sale would've followed a similar process.

I am satisfied that Mr C was sold the policies directly by the business and it didn't give him advice about taking the policies out. This is an important point because it means SunLife didn't have to ensure the policies were suitable for Mr C. But SunLife did have to provide information to him about the policies that was clear, fair and not misleading.

As mentioned above, the terms and conditions including the policy summary are the only information from the time Mr C took out these plans. I think the policy summary makes clear that if Mr C stopped paying his premiums for the policies when due then they would be cancelled and he wouldn't get any money back. It clearly mentioned that depending on how long Mr C lived he could pay more in premiums than the cash sum paid out. So I'm satisfied that the key issue Mr C is unhappy about was a risk of the way the policy works and this was prominently displayed to him before he chose to take it out.

The terms and conditions also clearly explain that the plan has no cash-in value at any time. So I don't think the information provided by SunLife about what happened if the policies were cancelled was unfair, unclear or misleading.

I also note the terms and conditions make clear the 30 days cancellation period Mr C had if he changed his mind once he received the welcome pack, after which time nothing would be paid back.

Mr C has received further communications from SunLife about taking further policies with them. These newer policies include Paystop, which is an option to stop paying premiums before the policy holder turns 90 years old and still keeps the full sum assured. It involves paying a higher monthly payment rather than keep paying the premiums for life. I understand that Mr C feels this should be available to him, but SunLife haven't elected to make his current policy paid up - meaning the plan would remain in force without the need for any further premium payments. And I don't think it would be fair and reasonable for SunLife to alter the terms of Mr C's existing policies, either to the Paystop option or be considered paid up, from what was agreed at the outset.

Overall, I am not persuaded that SunLife has acted unfairly or unreasonable in the circumstances.

My final decision

My final decision is that Mr C's complaint against Phoenix Life Limited (trading as SunLife) is not upheld for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 April 2025.

Andy Hurle
Ombudsman