

## The complaint

M has complained it Mr K, its director, was mis-sold a life insurance policy by St. James's Place Wealth Management Plc ("SJP").

## What happened

The background to this complaint is not in dispute. In 2021 Mr K met with SJP's adviser several times via internet video to discuss his financial needs. SJP recommended that he take out a life assurance and critical illness policy with a 10-year term. The monthly cost was £272.27.

In 2023 Mr K complained – he felt that the policy was of no benefit to him. He asked SJP to cancel the policy in August 2023. In November 2023 SJP advised that it was prudent for alternative cover to be put in place before this policy was cancelled. In January 2024 Mr K asked again why SJP continued to take payments. He didn't receive a response.

Mr K was also unhappy with the commission that was paid, and that no response was received to his complaint.

Our investigator recommended that the complaint be upheld. She didn't find that the policy had been mis-sold, but she found that SJP hadn't acted in accordance with Mr K's instruction to cancel the policy. She recommended that SJP cancel the policy and return the premiums, if that was what Mr K wanted, paying interest. She also recommended that SJP pay Mr K £300 in compensation.

Mr K didn't agree. He said that he was talked into taking out the policy. He felt that the contributions made would have been of more benefit to him if added to his pension contributions.

SJP also didn't agree. It said that there were ongoing discussions with Mr K in respect of his policy. It said that Mr K requested that these discussions were put on hold, temporarily, as he thought that he had been mis-sold the policy.

As no agreement was reached the matter was passed to me to determine. I issued a provisional decision saying as follows:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've reviewed the file and considered the representations Mr K has made on behalf of M with care. Having done so I agree with the conclusions reached by our investigator but have come to a different conclusion regarding redress. So I'm issuing this provisional decision in order to give the parties an opportunity to comment. I'll explain why.*

- *The relevant regulations provide that SJP had to take reasonable care to ensure that the policy it recommended was suitable for the customer's demands and needs. So I've looked very carefully at all the documentation and submissions to see whether the Relevant Life policy sold was suitable for Mr K.*
- *Mr K was the company director and sole employee of M. I can see from the documents produced at the time of the advice that the adviser set out the protection objective was to set up a Relevant Life plan for Mr K as director of M – as Mr K was concerned that he didn't have any insurance in place should anything happen to him.*
- *The adviser noted that Mr K didn't have any existing protection arrangements. They recommended the Relevant Life policy with the inclusion of significant illness cover for a term of 10 years. The document sent to Mr K dated 22 October 2021 explained why this met Mr K's needs and why other policies had been discounted because they didn't. This policy took Mr K to the age of 60. The adviser noted that Mr K's preferred retirement age was 62 but explained that aiming for a longer term policy would significantly increase the premiums.*
- *The policy provided life, terminal illness and significant illness cover. This covered a range of critical illnesses. In the event of an eligible claim the policy cover amount would have been paid. I understand that Mr K didn't have any dependants and had no mortgage to protect, but there is no evidence that he had protection cover in place. So if he developed one of the illness covered and was unable to work he would have had no protection. Accordingly, and as protection was a priority, I don't find that the advice was unsuitable.*
- *Although Mr K says that he was pressured into taking out the policy and left to feel that he needed it if he wanted to meet his future retirement goals, I don't find this is so. The adviser explained his recommendation and the reasons for it in detail in his financial review of Mr K's needs and objectives. There was no obligation on Mr K to proceed. It follows that I don't find that the policy was mis-sold.*
- *However Mr K asked for the policy to be cancelled in August 2023. In November 2023 SJP advised that it didn't think it was prudent to cancel until another protection product had been put in place. I can see that SJP advised Mr K what the premiums would be on a revised sum assured. In response Mr K asked for this to be put on hold temporarily as he thought the policy had been mis-sold. In January 2024 Mr K asked SJP again why payments were still being taken. I can't see it explained to him the cancellation options. I think that it should have done in response to his request in August 2023. I can't see from the evidence before me what advice he was given following Mr K's initial request in August 2023.*
- *That said Mr K has said that he wanted to wait for the outcome of his mis-sale complaint before he took action to cancel. I can see why this is so, but I don't think it would be fair and reasonable to require SJP to refund an amount equivalent to the premiums paid back to his first request to cancel. I say this because it seems that he hadn't decided he definitely didn't want the policy, and he has had the protection it offers during this period.*
- *Should Mr K wish to cancel the policy – in response to this provisional decision that it wasn't mis-sold to him, he can do so. He can contact the provider and also cancel his direct debit. But I find that SJP was slow in responding to Mr K and didn't provide him with clear instructions as to what steps he could take in relation to the policy. I*

*appreciate that in November 2023 Mr K asked for discussions to be put on hold temporarily and I agree that this didn't demonstrate that Mr K clearly didn't want the plan. But had he received an earlier response it may well be that his complaint would have been resolved earlier. In the circumstances I agree that compensation is due to M, and I find that £300 for the inconvenience caused is merited.*

- With regards to the commission paid to the SJP adviser, I can see that when requested the information was provided to M. The relevant regulation (ICOBS 4.4) provides that for commercial customers commission must be disclosed promptly on request. M was a commercial customer, so I don't find that SJP has done anything wrong in this regard.*

So my provisional decision was that SJP pay M £300, I made no further award. I invited both parties to respond to my provisional decision.

Mr K, on behalf of M, reiterated that M shouldn't have been sold the policy – he felt that he had been paying into a policy that he didn't want but if he cancelled, he would lose any potential benefit. He was weighing up what to do – but still felt that the policy had been mis-sold.

SJP accepted the provisional decision and made no further comments.

### **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.

In my provisional decision I said that unless any information in response changed my mind, my final decision is likely to be along the lines of my provisional decision.

I do understand Mr K's strength of feeling in this matter – but nothing he now says persuades me to change my provisional findings or conclude that the policy was mis-sold. As SJP made no further comments, I adopt the findings set out above here.

### **My final decision**

My final decision is that I uphold this complaint in part. I require St James's Place Wealth Management Plc to pay M £300 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 13 January 2025.

Lindsey Woloski  
**Ombudsman**