

The complaint

Mr R has complained that Phoenix Life Limited mis-sold him a term assurance policy providing life benefits.

The policy was sold by a different provider, but Phoenix Life now takes responsibility for the sale. For simplicity, I will just refer to Phoenix as having sold the policy.

What happened

The background to this complaint isn't in dispute. In summary Mr R took out a yearly renewable term assurance policy in 1998. The initial sum assured was £10,000. The policy would expire in May 2024, it had no cash in value.

Mr R is unhappy that the policy came to an end and says that he wasn't given the option to extend the policy.

Phoenix Life didn't uphold the complaint but did offer £150 in compensation for poor service. Unhappy with this, Mr R referred his complaint here. The investigator didn't recommend that the complaint be upheld. He thought that Phoenix provided Mr R with clear information and that the compensation for poor service was fair.

Mr R appealed.

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 done so, and although I'm sorry to disappoint Mr R, I agree with the conclusion reached by the investigator for these reasons:

I understand that Mr R expected that the policy to be for life. He has said that this is what he was told when he took the policy out in 1998. I do recognise Mr R's strength of feeling and haven't disregarded his recollection from the time. Given the sale was many years ago, I've looked carefully at the documentation from the time and that Mr R has been sent over the years.

At the time of sale Mr R signed a declaration to confirm that he had applied for the product listed, that it was suitable for his needs and that he had read the 'Customer Review' which identified his needs. The completed proposal form confirmed that the policy had a fixed term and would end after 26 years. I understand a Key Features document was also provided, giving details of the policy term and showing that there was no cash-in value.

Mr R was then sent annual statements confirming the premium, the term and the amount of cover. I haven't seen copies of every statement sent, but I find it more likely than not that they were sent. For example, in 2011 Mr R was sent a copy of his policy schedule – this showed that the maturity/expiry date was 31 May 2024. The sum assured at the time was £14,384.

Phoenix had a duty to sell a suitable policy, but based on the information contained in that document I'm satisfied that the policy was suitable for Mr R's expressed needs. It was clear from the documentation that this policy wasn't a whole of life policy but was for a set term and had a maturity date. Mr R could have stopped paying the premiums, but it was also clear that there was no cash-in value. I appreciate that Mr R was disappointed that he wasn't given the option to extend the policy, but Phoenix wasn't obliged to extend the policy as it had reached maturity.

It is apparent that Mr R was upset about his policy coming to an end when it did. He called Phoenix and was promised a call back. Phoenix acknowledges that his calls weren't return and offered £150 by way of apology. I find that was fair. I make no further award.

I'm sorry that my decision doesn't bring Mr R welcome news, but having considered all the circumstances I don't find that Phoenix mis-sold the policy or mis-led Mr R as to its term.

My final decision

For the reasons given above my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 March 2025.

Lindsey Woloski
Ombudsman