

The complaint

Mrs C has complained that she was mis-sold a term assurance policy by Lifesearch Partners Limited ("Lifesearch"). She has also complained about the commission she paid.

What happened

Lifesearch recommended Mrs C bought a 10-year term assurance policy in March 2014. The policy started on 9 April 2014 and ended on 9 April 2024.

In February 2022, Mr C was diagnosed with terminal cancer. Mrs C made a claim under the policy's terminal illness benefit. The insurer declined the terminal illness claim as Mr C's treating consultants were unable to estimate his life expectancy.

Mr C sadly passed away on 5 June 2024. When the insurer declined a claim because the policy had ended on 9 April 2024, Mrs C complained to Lifesearch that it had mis-sold the policy.

Lifesearch said that the policy met Mrs C's requirements at the time it was sold in 2014. Unhappy with his response, Mrs C referred the complaint here.

Our investigator didn't think the policy had been mis-sold. He also considered Mrs C's complaint about commission but didn't find that Lifesearch had done anything wrong here either.

Mrs C 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.

Although 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.

Lifesearch had a duty to take reasonable care to ensure the suitability of its advice for any customer who is entitled to rely on its judgement. I've looked carefully to see if it has done so in the circumstances here.

I recognise that Mrs C will be very disappointed my decision, but I agree with the conclusion reached by our investigator for the following reasons:

- When Mrs C contacted life search in March 2014, she wished to replace an endowment policy with an 8 to 10 year term assurance policy. Having agreed to contact the insurers it worked with to find a favourable premium, Lifesearch recommended a 10 year term assurance policy with £85,000 worth of level cover with an insurer I'll call "A". A had come back with the lowest premium subject to reviewing

medical records. The policy commenced on 9 April 2014. I find the policy was suitable and met Mrs C's expressed needs.

- Mrs C feels that Lifesearch should have made the terminal illness definition clearer and if it had done so she says she would have opted for cover with another insurer. Mrs C is also concerned that the definition was in small print. The terminal illness definition is very similar to that found in other policies of this type. This is because the definition is standardised and accorded with the Association of British Insurers model definition applicable at the time of sale. So even if I were persuaded that Mrs C would have chosen cover with a different insurer having seen the full policy terminal illness definition, I don't find that she would be in a more favourable position now.
- Additionally, I can't ignore the fact that cost was important to Mrs C and the policy recommended with A was at a price that Mrs C could afford. In all the circumstances I don't find that Lifesearch mis-sold the policy to Mrs C as it was suitable for her needs and affordable. For the avoidance of doubt, I can see that Lifesearch attempted to assist Mrs C in her appeal against A's decision to decline the terminal illness claim. But I don't find that this means it considered the policy was unsuitable. It follows that there is no basis for me to require Lifesearch to return a sum equivalent to the premiums paid.
- Mrs C has also complained about the commission that Lifesearch earned from A. She thinks it was too high. As our investigator explained, financial advisers are obliged to state how their services are paid for and if by commission how much that will be. It is clear from the email and documentation that Mrs C received that she was advised that Lifesearch would receive commission. The commission amounted to approximately 17% of the total cost of the policy. Lifesearch were providing a service and in all the circumstances I don't find that the commission arrangement or amount charged was excessive or unfair.
- I recognise that my decision will bring Mrs C very unwelcome news, and I'm sorry that this is so, particularly given the sad circumstances of her claim. But I don't find that Lifesearch mis-sold the policy or otherwise treated Mrs C unfairly.

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 Mrs C to accept or reject my decision before 19 March 2025.

Lindsey Woloski
Ombudsman