

The complaint

Mr A complains SCOTTISH WIDOWS LIMITED treated him unfairly when it sold him a policy he'd believed would provide for him when he retired, but which turned out to be a life and critical illness insurance policy.

What happened

In 2012, Mr A met with a representative of his bank. His circumstances were discussed, and the bank recommended him a policy that was provided by Scottish Widows. Mr A understood this policy would provide for him when he retired.

In 2019, Mr A called Scottish Widows and purchased an additional policy. He remembers asking the firm to set up a policy that was the same as the one he already held.

Mr A claims that since then, he's come to realise his Scottish Widows policies offered him nothing in retirement. The policies he's been sold were merely life and critical illness cover, which only pay a benefit in the event he passed away. Mr A's raised a complaint about the way his bank sold him the first policy in 2012, and against Scottish Widows for the way it sold the second policy in 2019.

This complaint will focus on Mr A's complaint against Scottish Widows. His complaint against his bank will be investigated separately.

Scottish Widows rejected Mr A's complaint. It pointed out that it hadn't recommended the policy to him. Instead, it'd done what he'd asked it to, which was to offer him more of the same cover that he already had in place. In addition to this, Scottish Widows explained that all of the paperwork Mr A was sent about his policy made it quite clear how it functioned. As Mr A remained unhappy, he referred his complaint to our service.

Our investigator considered Mr A's complaint, but didn't uphold it. They explained that all of the paperwork Mr A was sent about his 2019 policy made it clear what it was, and how it worked. As a result of this, they weren't persuaded Scottish Widows had treated Mr A unfairly.

As Mr A remained unhappy, the matter's been referred to me for 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.

The policy Mr A purchased from his bank in 2012 was sold to him on an advised basis. That meant his bank had an obligation to assess his circumstances, establish what his needs were, and recommend suitable products that were tailored towards those needs. But this is not the way his 2019 policy was sold to him.

I've listened to a sample of the phone calls Mr A had with Scottish Widows in 2019. Having done so, I'm satisfied that the firm wasn't giving him advice during these calls. Rather, it was discussing products with him on an information only basis. Scottish Widows made it very clear in my opinion that it wasn't recommending any specific products to him during these calls.

Because of this, Scottish Widows didn't need to establish whether what it would be offering Mr A was suitable for him. Instead, it was required to give Mr A enough information about the key facts of any products on offer, such that he could make an informed decision about whether those products were right for him.

Mr A initiated the 2019 discussions by explaining he'd like to add to the policy he already had, by paying an extra £10 per month. Across these calls I've noted that:

- Mr A was often distracted and somewhat rushed as he was working, and was quite insistent that information should be posted to him so he could review it.
- Scottish Widows asked him why he needed life cover, and Mr A confirmed it was for his son who lived abroad. He also confirmed he needed cover until he was 60.
- The firm gave a general explanation of how the life cover worked, and clarified the limited circumstances in which the critical illness cover would offer a benefit.

There's an occasion during the calls I've listened to where Mr A said that he did not understand what Scottish Widows' call handler had explained to him. There are other occasions where he asked the call handler to speak more slowly. And I have given careful thought to whether, overall, the firm did enough to ensure it was meeting Mr A's information needs, and providing him with information that was clear, fair and not misleading.

On balance, I'm satisfied that overall, Scottish Widows has done enough to meet with its obligations to Mr A. I say this in part because following the phone calls I've mentioned, and per his request, Mr A was sent a policy schedule which, in my opinion, made it abundantly clear that:

- The policy only pays a benefit if Mr A died, or was diagnosed with a terminal or critical illness.
- The term of the policy is set to last eight years, it has no cash-in value, and if the policy ends without a claim being made, Mr A would get nothing back for it.
- If Mr A decided the policy wasn't right for him, he was given a form he could use to cancel it free of charge within a cooling off period.

There's been no suggestion that Mr A made Scottish Widows aware of any different needs, or preferences with regards to the format of any information it posted to him. Likewise I don't think it would've been readily apparent to the firm that it should proactively make any adjustments to the information it was sending out. I'm therefore satisfied that, across the calls and the postal information he was sent, Scottish Widows has met Mr A's information needs where it needed to and treated him fairly throughout.

I accept that, as Mr A says, he thought his policies fulfilled another function entirely. But I'm satisfied this is through no fault of Scottish Widows. As such, I couldn't fairly or reasonably uphold Mr A's complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 August 2025.

Marcus Moore
Ombudsman