

The complaint

Mr W and Mrs W complain that Quilter Financial Services Ltd ('*Quilter*') acted unreasonably when providing them advice regarding their personal protection needs in December 2019.

Specifically, they say Quilter's adviser restricted his recommendation to life assurance, when critical illness cover ought to have also been included. Because of this, they have lost the opportunity to make an informed decision and potentially, a critical illness claim for Mrs W.

What happened

I'll hereafter refer to Mr W and Mrs W as 'Mr and Mrs W' for ease of reading.

Mr and Mrs W took out three term assurance policies, after receiving advice from a financial adviser who was acting as an appointed representative of Quilter. One joint policy was for the same term and sum (£80,000 for 8 years) as their outstanding mortgage liability. The other two policies were individual policies for wider family protection in the event of funeral expenses. These were taken for 30 and 28-year terms respectively and each had level sums assured of £10,000.

In 2022, Mrs W sadly suffered from a heart attack and was thereafter diagnosed with heart disease.

Mr and Mrs W complained originally to the insurer for the policies in May 2024. The complaint was thereafter forwarded to Quilter. Mr and Mrs W said they had recently reflected on the advice during a discussion with friends about Mrs W's ill health. They were informed they could have taken out critical illness insurance as well as life cover in 2019. Had they done so, Mrs W could have made a claim for her heart disease.

In November 2024, Quilter rejected the complaint. It said it was satisfied the adviser had correctly recorded Mr and Mrs W's protection needs, this being that they required financial protection in the event that either of them passed away.

So, Mr and Mrs W brought their complaint to this service, where it was reviewed by one of our investigators. He felt that the complaint should not succeed. The life cover which was recommended met Mr and Mrs W's recorded needs at the time of the sale. And whilst Mr and Mrs W have since said they'd have taken out critical illness cover at any price, he noted that it could not have been said with any certainty as to what the cover would have cost.

Mr and Mrs W disagreed with the investigator. They said, in summary:

- They feel the investigator only looked at the adviser's side and not theirs.
- If the investigator accepts the fact find document was inaccurate, this must mean that the adviser has also been inaccurate in all other supporting evidence.
- They now understand that critical illness cover is a common type of cover, and so the adviser would have known it could be suitable for them.

- They may well have considered the lump sums for family protection (which were not needed for funeral costs as had been suggested) as critical illness cover instead – but the adviser denied them of that opportunity.
- Ultimately, all they required is for the adviser to present them with the whole picture in terms of insurance needs – and since he didn't do so they had no opportunity to consider their position fairly, irrespective of whether a claim would have been paid.

Our investigator wasn't minded to change his view on the complaint. He said there was no obligation on an adviser to discuss every type of protection policy on the market. When carrying out an advised sale, the obligation was to ensure any recommendation was suitable for the client's needs. Since both parties accepted that the life cover policies were appropriate for Mr and Mrs W, he did not think the adviser had acted unfairly overall.

Mr and Mrs W maintained that they felt Quilter's adviser had relied on his recollection rather than facts. They asked for their complaint to be referred to an ombudsman. Quilter had no other comments to make. The complaint has now been passed to me.

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 thank both parties for their patience whilst this matter has awaited an ombudsman's decision. In reaching my decision, I will take into account relevant law and regulations, regulator's rules, guidance, standards and codes of practice, along with what I consider to have been good industry practice at the relevant time. I will also focus on the issues I believe to be central to the complaint. I do not intend that as a discourtesy. However, my role is to review the evidence presented by Mr and Mrs W and Quilter and reach what I think is an independent, fair, and reasonable decision based on the facts of the complaint.

We are not a court; and though there are rules I may rely on in respect of complaint handling procedures, I'm not required to comment on each point or make specific determinations on every submission put forward. As I set out above, I have looked at all the evidence from both parties to reach my determination.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator – that means I won't be asking Quilter to do anything further to resolve the complaint. I'll explain my reasons for this below.

I appreciate that when providing evidence that it held from the time of the sale, Quilter belatedly supplied fact find information to this service. That fact find is erroneously dated as January 2025. Further, Mr and Mrs W say it contains several inaccuracies. I also note they've told our investigator that they wanted the opportunity to discuss each of the inaccuracies via telephone. However, our investigator confirmed he did not take account of the fact find when reaching his view, and I believe this is a reasonable conclusion.

When there is a dispute about what happened from the time of a sale or the evidence is incomplete or contradictory, I have based my decision on the balance of probabilities – that is to say, on what I believe most likely happened in light of the evidence and wider circumstances. And I agree with our investigator when he did not give any weight to the fact find – as it did not provide contemporaneous evidence of Mr and Mrs W's wishes at the time of the sale.

However, the demands and needs document - which was sent to Mr and Mrs W dated 9 December 2019 - explains how they sought both protection for their mortgage as they had

no life assurance provisions. It also says they wanted some additional cover for wider protection than their documented mortgage – this was set out as funeral costs, though I know Mr and Mrs W don't accept that assertion now. They are however, satisfied they needed life cover. What Mr and Mrs W contend now is that they could've directed the additional cost of the premiums for the two smaller policies towards critical illness cover.

The adviser was not tied to the insurer that had referred Mr and Mrs W's to him; he performed a whole of market search for both life cover and whole of life cover. And given the need for protection might exceed the maximum term age for life assurance cover, he also sought quotes for whole of life policies as an alternative for the two individual policies. However, the whole of life cover was too prohibitive on the basis of cost, and for that reason the sum assured for each of the additional individual policies was capped at £10,000.

I do not doubt Mr and Mrs W's recollections from the time of the sale – and they say that they cannot recall critical illness cover being discussed. However, I am satisfied, on balance, that it was likely discussed and discounted. I say that given whole of life cover was rejected by Mr and Mrs W, and the adviser was able to offer independent searches on a range of protection products.

Overall, I am not persuaded that the adviser would neglect to search for critical illness protection if there had been a documented need for that cover, based on Mr and Mrs W's requirements at the time of the sale. From the demands and needs document, it does appear that a budget was a factor in the recommendations; and as Quilter has pointed out, a critical illness premium would be notably higher than life assurance. I do not consider the adviser would likely have discounted that recommendation, should it have been appropriate.

I appreciate my findings will not be what Mr and Mrs W had hoped for. Unfortunately for them, I haven't seen any clear objective evidence that the adviser acted unfairly when making his recommendations. And though their recollections are also something I've weighed up on balance, I do not believe it is more likely that the adviser would have actively disregarded seeking quotes for Mr and Mrs W to take out critical illness cover if this had been identified as required, affordable and suitable for them at the time.

Finally, it may help Mr and Mrs W if I explain our approach where we uphold a complaint based on a mistake or omission by a business - though I don't agree that is the case for their complaint. When we put matters right, this service seeks to place complainants back in the position they'd be in at the time of the event complained about, but for the mistake or omission. In Mr and Mrs W's case, redress in these circumstances wouldn't involve compensation equivalent to any potential sum assured for a critical illness claim. That's since it could not clearly be established if Mrs W would have agreed to such cover had the adviser undertaken quotes, what price any quotes would have been, what terms any insurer would be prepared to offer, or if her circumstances relating to her heart disease met the requirements for a valid claim in any event.

Instead, if I had deemed the complaint should be upheld, I would've considered whether some compensation for the impact of the failure was due. However, for the reasons outlined, I don't think this complaint should succeed and so I haven't gone on to consider that issue.

My final decision

I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 16 September 2025.

Jo Storey
Ombudsman