

The complaint

Mr W complains that he was mis-sold an income protection policy by First Complete Limited, principally because it was too costly and didn't include critical illness cover. To resolve his complaint, he wants the premiums he paid for the policy to be reimbursed in full.

What happened

Mr W is assisted by his friend, who I'll call Ms J in bringing his complaint.

In August 2023, Mr W spoke with an appointed representative of First Complete Limited, which traded as the PRIMIS Mortgage Network. For ease of reading hereafter, I'll refer to the business as 'First Complete'. First Complete was authorised to advise upon and recommend certain types of insurance across a range of insurers, including income protection policies.

After receiving telephone advice, First Complete sent Mr W a letter dated 1 September 2023. The adviser recommended Mr W consider taking out income protection cover up to age 68 with LV. The proposed policy had a £66.96 monthly premium and a monthly income protection benefit of £1,800, payable after a deferred period of 4 weeks in the event of a valid claim.

In September 2024, Mr W firstly complained to LV. He said he had recently sought advice regarding his insurance needs. It was during this process it had been explained to him that his current policy didn't offer critical illness protection, and the premium could have been as low as £15 to £20 per month. He wanted his premiums to be returned to him.

LV explained to Mr W that First Complete was responsible for the sale of the policy, and it encouraged him to direct that complaint to the adviser that recommended the policy. It also said it could not refund the payments Mr W had made, because the premiums were paid for insurance protection that LV agreed to offer in good faith.

Mr W then approached this service, where we assisted him in lodging his complaint to First Complete.

In November 2024, First Complete rejected the complaint. It said the proposed policy had been appropriate, and Mr W was given full documentation and time to reflect on the advice.

One of our investigators then reviewed the complaint, but she didn't think it should succeed. She said she did not believe First Complete mis-sold the policy, and it had been appropriate in the circumstances to recommend income protection cover to Mr W.

Mr W didn't agree. Ms J said the complaint didn't have anything to do with critical illness cover – Mr W was unhappy about the fact he was mis-sold an income protection policy. She said that it has since transpired he was sold a basic package at a premium price, and the adviser took advantage of Mr W because he had some literacy issues.

Ms J also lodged a separate customer service complaint relating to our investigator. It was reviewed by one of our ombudsmen and has received a complete reply. I shan't therefore be

commenting on that any further here.

Thereafter, neither party had any further submissions 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.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator. I realise that my decision will not be what Mr W has hoped for, but I will explain below why I've reached this conclusion.

Though it is not in dispute, Mr W had a documented need for income protection cover since he was self-employed with no sickness provisions or other finances to account for loss of income should he be unable to work due to illness or injury. He had recently applied for cover through a different business, but this had lapsed, and he did not want to be uninsured.

When Mr W brought his complaint to First Complete (and to this service), one aspect of the complaint was that the cover didn't include critical illness benefit. I recognise that Ms J now says that isn't the crux of the matter. However, I will address it below for completeness.

After Mr W spoke with First Complete's adviser, he was sent a letter in which she explained her recommendation based on Mr W's stated needs at the time of the advice. In that letter, she confirmed how Mr W hadn't wanted advice about critical illness cover, noting:

"I advised that we look into Critical Illness cover; however, you informed me that your main concern was to obtain income protection and you did not wish to allocate any of your monthly budget towards Critical Illness Cover."

Furthermore, the documentation issued to Mr W from LV made clear that he had taken out income protection cover only. I am satisfied that Mr W hadn't sought critical illness cover at the time of the sale. I could not uphold this part of the complaint – if it was still pursued – as the documentation from the time of the sale is clear as to the nature of the cover.

I note Ms J says Mr W now realises that he was recommended cover which was too expensive, after he has since spoken with a different advice business. However, when considering if advice was suitable in the circumstances, I can't be guided by hindsight or what may be said a number of months or years after the event. Instead, the correct position is to ascertain if the adviser acted fairly at the time of the advice, by making an appropriate recommendation based upon Mr W's recorded circumstances, needs and objectives.

Overall, I am persuaded that the adviser made a reasonable recommendation to Mr W. She undertook a fact find with him to ascertain the amount of cover he required, the term of that cover to an anticipated retirement age, an appropriate deferred period and the affordability of the policy premiums against an assessment of his documented income and expenditure.

Mr W was recorded as having a budget of £65 to pay for monthly cover, from a disposable income of £944 per month. The cheapest own occupation income protection policies that the adviser could source across several insurance companies were for £66.96 (a £64.03 premium plus waiver of premium benefit at £2.93) or a higher £80.88 per month. The more expensive policy had a longer payment period, which accounted for the increased premium. A cheaper personal sick pay policy was also considered but this was discounted due to the types of insured occupations it contained.

Mr W opted to take out the £66.96 premium policy. I believe that the adviser made a reasonable proposal for the level of cover that was appropriate for Mr W's recorded circumstances and the primary premium was both affordable and within his stated budget. I've seen no objective evidence that Mr W could have otherwise secured cover elsewhere for a significantly reduced premium at that time. Furthermore, Mr W was free to reject the proposal if he did not wish to continue with the application or cancel the policy – as had happened previously.

I have finally considered that Ms J has told us that Mr W struggles with literacy issues, and she feels this may have impacted him. I do not underestimate that. However, I must be reasonable to both parties in a complaint, by assessing the evidence from the time of the event being complained about. I can see Mr W was given telephone advice – which is a means of communication that he is able to use without assistance. And the letter sent to him to follow up the advice and recommendation by the adviser said:

“This letter explains the protection [advice] I have given to you following our recent discussions. The letter will only take a few minutes to read and it contains important information about my advice. Please do take the time to read it. If you see something that you don't understand, please ask us for help.

We are committed to making sure all of our customers can access and understand the information that we provide. If you need any extra support to help you understand this letter or any other part of the advice we have given, then please let me know.”

I haven't seen any objective evidence that Mr W wasn't able to review the letter either himself or with assistance. And First Complete set out in accessible language how it would help Mr W if he needed any assistance to understand his policy, though Mr W didn't follow that up. I am satisfied, on balance, that Mr W likely understood the information he was sent.

Taking all of the information in the round, I am persuaded that the LV policy was appropriate for First Complete's adviser to recommend to Mr W in order to meet his insurance objectives.

I consider on balance that Mr W likely wanted to go ahead with the policy, and that on the information I've seen, the advice was suitable for his circumstances; noting that it was affordable based on his documented income and expenditure, it met the required income benefit level and deferred period, and it was within a designated budget. I do not therefore think this complaint should succeed or find that the policy was mis-sold to Mr W.

My final decision

Though I recognise my decision won't be what Mr W has hoped for, I am unable to uphold this complaint for the reasons I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 July 2025.

Jo Storey
Ombudsman