

The complaint

Mrs H is represented by Mr H. He complains on their behalf that the Secure Life Plan taken out through Bank of Scotland was mis-sold. Mr H says the plan now has a lower claim value compared to the premiums Mrs H has paid.

What happened

Mrs H took out the Secure Life Plan in July 2001 and opted for “half cover” with a monthly premium of £10 providing life cover of £1,980.

Mr H complained to Bank of Scotland that Mrs H has been paying premiums since 2001 and that the amount of premiums now exceeds the sum assured of the policy.

In its response to the complaint Bank of Scotland explained that Mrs H did not receive advice or any recommendations and the plan was taken out on a direct offer basis. It said the sum assured was based on her age at the time and were satisfied she was eligible for the product. Mr H disagreed with the outcome and referred the complaint to our service.

Our Investigator considered the case but felt it was not a complaint they could uphold. They felt that the policy documentation made it clear what the sum assured was and could not see evidence that Mrs H had received advice.

Mr H disagreed with the outcome and requested that the complaint be passed to an ombudsman for review.

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.

Bank of Scotland has explained in its submissions to our service that not all of the documentation that was provided to Mrs H at the time she took out the policy is available. As the policy was taken out in 2001, I do not consider this unusual or unreasonable.

Where the information is limited or incomplete I’ve therefore had to make my decision based on the balance of probabilities. In other words what I think is more likely than not to have happened.

I have considered whether Bank of Scotland provided advice to Mrs H but I have not seen any evidence of this in the form of a fact find or financial recommendation letter. Therefore I’m satisfied that no advice was provided.

As no advice was given to Mrs H I have considered whether the documentation she was provided with allowed her to make an informed decision as to whether she felt the policy was right for her.

I have reviewed the Key Features Document for the plan which outlines the aim of the policy and the risk factors associated with it.

The document explains that the plan is designed to provide a fixed cash sum on death free of Capital Gains Tax. It also explains that the policy holder's circumstances may change which could mean the plan is no longer suitable for them. The document goes on to say that the total premiums paid may eventually be greater than the amount payable on death and that the plan has no cash in value.

I have also seen the policy provisions document which details in what circumstances the policy will not pay out and how to make a claim. I'm satisfied the sections are clearly set out, easy to identify and are written in a clear and non-misleading way.

The application form which Mrs H signed clearly shows the amount her policy would pay on the event of her death and the monthly premium required.

Based on the documents I have seen I think Bank of Scotland made it clear and understandable how the policy would work, how much it would cost, as well as how much it would pay out. As such I'm satisfied that Mrs H had sufficient information to make an informed choice as to whether the policy was suitable for her.

My final decision

For the reasons I have set out above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 2 May 2025.

Rob Croucher
Ombudsman