

## **The complaint**

Mrs S and Mr S's complaint against Lifesearch Partners Limited ("Lifesearch") is about the term of their mortgage protection policy.

## **What happened**

Following advice from Lifesearch in March 2024, Mrs S and Mr S agreed to take out a protection plan which consisted of the following policies:

- joint life mortgage protection with a 13 year term ending in April 2037;
- level term assurance with critical illness cover for Mrs S, with a 20 year term; and
- level term assurance with critical illness cover for Mr S, with a 15 year term.

Although this complaint has been brought jointly by both Mrs S and Mr S, most of the submissions have been made by Mrs S and for ease of reference I will generally refer to her as the complainant in this decision.

Lifesearch's adviser didn't send Mrs S a copy of his recommendations and quotes prior to the policies being set up. Once Mrs S received paperwork for the policies, she realised that the mortgage protection policy would expire a few months before her mortgage, which is due to end in September 2037.

Mrs S complained to Lifesearch and in response they said:

- They accepted that Mrs S had explained to their adviser the term of her mortgage. They also acknowledged that the adviser should have sent Mrs S a copy of his recommendations and a quote before the cover was put in place.
- They could only provide quotes in full year terms so Mrs S would only have been able to take out mortgage protection for either a 13 or 14 year term.
- It was not possible for the insurer to amend the term on the existing policy. Lifesearch offered to put in place a new policy with a 14 year term and meet the increase in the monthly premium that resulted.

Unhappy with Lifesearch's response, Mrs S brought her complaint to our service. She said she didn't want a new policy as she was happy with everything else on the existing policy and that a 14 year policy would run beyond the term of her mortgage. She just wanted the existing policy to be extended until September 2037, in line with the term of her mortgage.

Our investigator looked into what had happened and said:

- Lifesearch's adviser should have explained at the outset that they could only offer a 13 or 14 year policy. Mrs S said that had she been told that, it's likely she wouldn't

have accepted the situation as a 13 year term would have left a shortfall against the mortgage and a 14 year term would have meant she had more cover than necessary – unless there was no penalty to cancel the policy once the mortgage had been redeemed.

- She initially said that Lifesearch should ask the insurer if it was possible to extend Mrs S's existing policy and Lifesearch meet any increase in premium. In response, Lifesearch had provided information from the insurer to say that the existing policy could not be extended. Under the conditions of the policy, it wasn't possible to extend the term if that would take it past the 65<sup>th</sup> birthday of the oldest person covered.
- She thought the offer made by Lifesearch was fair. There would be no shortfall in the term of the new policy and Lifesearch would meet the additional cost to keep Mrs S's monthly payment the same. Having looked at the policy terms, there would be no penalty if Mrs S decided to cancel the cover once the mortgage had been redeemed.
- Although Lifesearch's mistake was picked up quickly by Mrs S once the paperwork was issued, and her complaint was upheld, the matter had still caused some distress to Mrs S. She thought Lifesearch should pay £150 for the distress and inconvenience they had caused.

Lifesearch accepted our investigator's view, but Mrs S disagreed and asked for an ombudsman to make a final decision. She said:

- Lifesearch sold the policy in a wrong and unfair manner, and we should therefore be able to tell them or the insurer to change the term of the existing policy.
- Have Lifesearch provided evidence that the current policy can't be extended? The term already extends beyond Mr S's 65<sup>th</sup> birthday so does that mean it shouldn't have been issued in the first place?
- Lifesearch's offer is not appropriate because it is not what she wants. She wants the existing policy to be extended to the correct period.

### **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.

It's not in dispute that Lifesearch were at fault in setting up Mrs S's policy with a 13 year term. Their adviser should have been aware that would leave Mrs S without cover for a few months before the end of her mortgage. And if the adviser had provided Mrs S with appropriate quotes and illustrations, she would likely have picked up on the issue before the policy was taken out.

When a business has made a mistake, our aim is to put the consumer back, as close as possible, to the position they would be in if nothing had gone wrong.

Mrs S would like the term of her policy to be extended by a few months to match the end date of her mortgage. That was her intention when she took out the policy and so that is what she seeks as a resolution to this complaint.

Lifesearch have said the insurers they work with do not allow them to offer quotations for policy terms that are not a whole number of years. They say that if Mrs S had been correctly

advised in March 2024, she would have been given the option of taking a policy with either a 13 or 14 year term. They would not have been able to offer her a policy with a term that matched the end date of her mortgage.

I appreciate that is frustrating for Mrs S. She feels strongly that Lifesearch should be able to offer her the policy term she wants and that our service should be able to tell them to do so. However, it is not our role to tell businesses what products they should be offering, and I will not be requiring Lifesearch to do something they have said the insurers will not allow and which would not have been possible at the time Mrs S took out the policy.

If Mrs S had been advised correctly it's possible that she would have decided to look elsewhere for mortgage protection. However, the policy that Mrs S took out allowed for the cover to be cancelled without penalty. I therefore think it is most likely that Mrs S would have opted to take the same cover that she had chosen, but over a 14 year term, on the understanding that she could cancel it early when her mortgage term ended. In deciding what Lifesearch should do to put things right my aim therefore is to put Mrs S back in that position.

Based on the information provided by Lifesearch and Mrs S's insurer, I'm satisfied that it would not be possible simply to extend the existing policy by a year. Although Mrs and Mr S were eligible to take out the cover in the first place, the policy terms do not allow for the term to be extended given Mr S's age.

In these circumstances, I agree that the offer made by Lifesearch is fair and reasonable. They will replace Mrs S's policy with a policy offering the same cover over a 14 year term and meet the additional cost of doing so.

### **Putting things right**

If Mrs S and Mr S accept this decision, Lifesearch should:

- Replace Mrs S and Mr S's existing mortgage protection policy with a new policy offering the same cover but with a term of 14 years from the original start date in April 2024.
- Meet the additional monthly cost of the new policy, ensuring that the total monthly premium paid by Mrs S and Mr S remains at £76.52.

Pay £150 to Mrs S and Mr S for the distress and inconvenience they have suffered as a result of not being correctly advised and having to pursue the matter to ensure they had protection up to the end of their mortgage term.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold Mrs S and Mr S's complaint.

Lifesearch Partners Limited should put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 22 October 2025.

Matthew Young  
**Ombudsman**