

## **The complaint**

Mrs O complains that her life insurance with Direct Line (now Countrywide Assured Plc) was for a fixed-term and ended recently. She says this was mis-sold as she only ever intended to take out a policy for life.

## **What happened**

Mrs O recently received a letter from Countrywide to say that her Fixed Term Life Cover had expired. This letter it explained she had taken out term assurance for 21 years.

Mrs O complained as she believed she had asked for a policy to cover her for life. And she said she would never had taken out a policy for a fixed period as she wanted her children to benefit from it. Mrs O said at the time of the call she had told the call handler she wanted lifetime cover and for her children to have help with her funeral costs etc. She believed the policy to be mis-sold and wanted the premiums she had paid to be returned to her.

Countrywide responded to say the policy was taken out with Direct Line in 2003 (it was now responsible for the policy after it acquired that part of Direct Line's business). It said the evidence showed that the policy was arranged without any advice. So Mrs O was responsible for choosing the policy, and the proposal forms shows that Mrs O had selected fixed term cover – and had confirmed she had not received advice.

Mrs O remained unhappy and brought a complaint to our service. Our investigator looked into matters but didn't uphold the complaint. She said the evidence we had (which was limited) showed that the policy taken out was a fixed term policy and that Mrs O had taken it out without advice. The information Countrywide had on its system showed that the insurance was for a fixed term of 21 years, so the investigator believed this together with the proposal form showed that this is what Mrs O had purchased. And the proposal form did say it was for a fixed term policy. As part of the investigation, Mrs O mentioned that she had taken a mortgage out at around the same time (but couldn't provide specifics), so the investigator said the fixed term insurance might have been taken out to cover this.

Mrs O didn't agree, she said she didn't see what the mortgage had to do with it, her recollection was that she had purchased life insurance for the rest of her life to provide something for her children after she was gone. And to help with funeral costs. She maintains she would never have taken out the policy had she known it was for a fixed term.

## **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.

Due to the time that has passed since the policy was taken out the evidence is limited and the policy was sold to another business without supplying all the point of sale documentation. The evidence we do have is clear in showing that Mrs O applied for Fixed Term Life Cover.

I appreciate Mrs O says that she was misled by the agent and she had rung up to purchase Whole of Life Cover but her recollection of events isn't particularly detailed, so I cannot place much weight on this considering it isn't supported by the evidence. It is understandable that Mrs O's recollections are vague given how long ago this was and taking out an insurance policy isn't a particularly memorable or momentous event.

It seems apparent from Mrs O's shock to find out the policy had ended that she thought she had purchased Whole of Live cover. But unfortunately, the proposal shows it was Fixed Term Life Cover and this is supported by the information recorded from the sale on Countrywide's systems, passed on as part of the acquisition from Direct Line. The top of the proposal form that Mrs O has signed says she is applying for Fixed Term Life Cover. And under the cover chosen section it says:

| COVER CHOSEN |   |                |                            |
|--------------|---|----------------|----------------------------|
| Policy no.   | Cover                                       | Who is covered | Benefit amount             |
| [REDACTED]   | <b>Fixed Term Life Cover</b><br>Single life | [REDACTED]     | <b>£80,000 00 lump sum</b> |

Mrs O also signed to say:

signed and the start date of the policy.

6. I confirm that I have not sought, or been given, advice by Direct Line Life Insurance Company Limited on the purchase of this cover

So the evidence shows this was a non-advised sale of Fixed Term Life Cover. Unhelpfully the proposal form doesn't show the term – although it does say this is only a summary of the cover and health details provided – presumably from the call that Mrs O refers to.

The term shown on Countrywide's systems was 21 years, this would've been input at the time of sale. As part of the sale/application for the Life Cover, the term would've been chosen, just like the benefit amount shown above. Somebody would've had to have selected those two options and it is fair to say this was most likely Mrs O – likely in the phone call with Direct Line. The alternative is the Direct Line agent unilaterally decided the amount to cover Mrs O for and/or the term without telling her. I think that is less likely than Mrs O being asked to select an amount of cover and a term.

As part of the process, Mrs O should have received more paperwork than just the proposal form. She would have received confirmation of the cover applied for (the terms and conditions of the policy refer to an Insurance Schedule being sent to customers as this was a regulatory requirement) and other information after completing the proposal. Under the rules at the time, insurers had to send a document that showed the key details of the cover such as the term.

So if Mrs O was misled by the agent into thinking the cover was for life, I think she would, or ought to have, noticed that what she was applying for was Fixed Term cover. Either when she received the proposal summary or when she received the confirmation of the cover. If she didn't get any further information about the policy after sending in the proposal form, it's reasonable to think Mrs O would have chased this up to get confirmation of her cover. And on the balance of probabilities given the evidence shows the policy purchased was £80,000 covered for 21 years, this would have been included in that confirmation.

The investigator suggested the insurance might have been to cover a mortgage as Mrs O said to us that she had just taken out a mortgage at the time. But Mrs O denies that this was the case, she says the purpose was to provide cover in the event of her death, for life. Having looked at the terms of the policy, Direct Line also sold Mortgage Life Cover, so had it

been to cover a mortgage I think it's likely the proposal would state this was the cover applied for.

Ultimately here we have limited evidence. The factual matters are Mrs O purchased Fixed Term Life Cover and for 21 years. I've considered on the balance of probabilities whether Mrs O was likely misled as she has made it clear her intention was to purchase Whole of Life Cover but the evidence doesn't support this. If she was misled in the call I think it's likely she would have realised from the subsequent documentation that she had purchased Fixed Term Cover.

I don't doubt that what Mrs O has told us is her honest recollections and I'm sorry to hear of her shock about finding out she'd only purchased Fixed Term Life Cover. But thinking about what likely happened, I cannot say the evidence indicates she was misled into thinking she'd purchased cover for life. The evidence shows Mrs O completed a proposal for Fixed Term Life Cover and this is what she received.

### **My final decision**

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 8 January 2026.

Simon Hollingshead  
**Ombudsman**