

## **The complaint**

Mr J complains that Phoenix Life Limited mis-sold him a term assurance policy.

## **What happened**

Mr J took out a term assurance policy with Phoenix in April 1998, assuring the life of his wife for a fixed term of 36 years ending April 2034. The policy provided for £50,000 cover and the initial premiums were £5.11.

Mr J says the policy was mis-sold to him as he already had three policies in place as well as mortgage protection. He says the premiums increased without his consent and the policy should have been a joint policy with a maximum 20-year term. He says his mortgage provider already included a joint life cover for him and his wife for a period of 25 years which started in February 1989.

Phoenix responded in their final response letter on 27 April 2024, and didn't uphold the complaint, so Mr J brought his complaint to our service.

An investigator here considered the complaint and didn't uphold it. She explained that the policy didn't duplicate any other cover held, it covered a reasonable sum assured, the term was in line with the way the policy worked, and it could only be given on a single life basis. She said Mr J had been made aware of what the policy covered and that it would increase each year in line with the Retail Price Index (RPI). She didn't uphold the complaint.

As Mr J didn't agree with the investigator, this came to me for a decision.

## **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.

Whilst I may not address each point individually, I would like to reassure Mr J that I have considered all the information provided including more recent communications, and reached what I think is an independent, fair and reasonable decision based on the facts of this case and in line with the regulations outlined by the Financial Conduct Authority. Having done so, I agree with the investigator for broadly the same reasons. I will explain further.

My role here is not to consider whether better policies were available to Mr J, or whether he should have a joint policy with Mrs J, it is to consider whether the policy Phoenix sold to him was suitable for him. So, I have started my investigation by looking at the policy Mr J was sold and the information available from the point of sale. The complaint has been brought by Mr J as it is a policy in his name, however I have mentioned Mrs J as she is the life assured in this policy.

Mr J was sold a renewable term assurance policy which was a life cover for a fixed term and renewable yearly. The plan was available on a single life basis only and did not include a saver element so there was no cash in value. This is made clear in the evidence I have seen. Each year upon review, the sum assured goes up in line with the RPI based on the amount of cover, the age of the life assured, and the premium rates that apply at that time. It is expected that as the life assured gets older, the cost of life cover will become more expensive so the premium payable would become larger each year.

The policy information included the policy illustration key features document which outlined the RPI increases in the premium each year. The sum assured and the premiums being paid by Mr J would increase and it is clear Mr J opted into this, so I can't say that he didn't consent to it. I've seen no evidence that he was unaware of this or that he wasn't provided a copy of the illustration and by agreeing to proceed with the policy, he acknowledged receipt of this and did agree to the terms of the policy including the RPI increases in the premium. It is important to point out that Mr J was also receiving annual statements which show the premium increases and sum assured value go up each year. The statements are transparent in referring to the RPI increases and displaying the new amounts.

The fact find information showed that Mr J was 35 years old at the time the policy was taken out and Mrs J was 34. They had four dependent children, and their mortgage was due to end in 2018 with a balance of £18,875. The fact find considered Mr J's income and affordability and his attitude to risk. Phoenix did consider which policies, investments and savings Mr J already held as well as his future financial objectives before recommending this policy.

The joint life cover Mr and Mrs J held with their mortgage company would only have paid for the outstanding mortgage in the event of the death of one of them. They still required additional protection to cover any additional costs that may need to be covered and to maintain their lifestyle. Mr J had a pension plan, a savings plan which had limited cover for Mr J and a saver plan with investments and life cover for both Mr and Mrs J. These policies were cover for Mr J not Mrs J. The policy complained about here is about Mrs J's life and so the cover for Mr J's life wouldn't affect cover for her life.

In addition to this, the other policies served a different purpose. The joint saver plan with investments was intended to be for general use, there is no suggestion it was intended to maintain their lifestyle or replace any loss of income they may suffer. Their children being between the ages of four to twelve meant they were expecting future childcare costs and had estimated this to be around £40,000. The policy cover here was for £50,000, so it seems entirely suitable that the policy did cover this expense with a remainder balance to help maintain their lifestyle. It is documented during the sale process that there was still a life cover shortfall of around £250,000 and additional life cover was needed to help reduce that shortfall, so, the recommendation for this policy in addition to the other policies was not unreasonable. If the policy no longer met his needs, he was able to cancel this at any point, particularly as the policy was reviewed annually, so he would not have been out of pocket if decided to take this action.

Overall, I'm not persuaded there was duplication of the policy here. The policy's intended objective was to provide a sum assured for the life of Mrs J, to allow for their lifestyle to be maintained in the event of her death. I am also satisfied based on the information that Mr J was made aware of the increase in premiums in line with the RPI and what was covered as part of the policy. I am not satisfied that the policy was mis-sold to Mr J, so, I won't be asking Phoenix to do anything.

**My final decision**

As detailed above, I don't uphold this complaint against Phoenix Life Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 March 2026.

Naima Abdul-Rasool  
**Ombudsman**