

The complaint

Mr and Mrs S have complained that Connells Limited ('Connells') didn't advise them to top up on their Life and Critical Illness Cover ('CIC') policy as it should have done.

Mr and Mrs S are represented in bringing their complaint but for ease of reading I will refer to them in my decision.

What happened

When Mr and Mrs S brought their first property in 2017, they took a joint Life and CIC policy for a sum assured of £220,000. In February 2022 Mr and Mrs S planned to move to another property with a larger mortgage for which they say they needed additional Life and CIC cover, but Connells didn't offer it to them.

When Mr and Mrs S claimed on the policy they discovered the shortfall and raised a complaint with Connells who responded on 22 May 2024 not upholding the complaint. It said that when Mr and Mrs S moved to their second property with the larger mortgage an illustration was provided for the difference between their existing cover and the new mortgage loan amount. But Mr and Ms S said they weren't interested in increasing their cover and intended to do so directly with the insurer before the contracts on their property exchanged. A Statement of Demands and Needs letter was sent to Mr and Mrs S which confirmed the policies that had been accepted and recommended.

Mrs and Mrs S weren't happy with the outcome and brought their complaint to the Financial Ombudsman Service. Our investigator who considered the complaint didn't think Connells needed to do anything more. This was because when Connells wrote to Mr and Mrs S in 2022 it was confirmed they didn't want to review their policy so there would have been no need to recommend a top up to their existing protection.

In response to the investigator Mr and Mrs S said they had no recollection of being offered top up cover and hadn't seen any documents bearing their wet signature to confirm their agreement or otherwise. They were concerned that documents relied upon could be altered after the fact and that a representative of Connells wasn't clear about which business he was representing. They provided two call recordings to evidence this. They wanted evidence they were informed, or otherwise, about a top up which would need to be either accepted or declined.

As the complaint remains unresolved, it has been passed to me for a decision in my role as ombudsman.

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.

After doing so, I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

I should first explain that when information, testimony or evidence presented to me is incomplete or contradictory, I need to base my decision on the balance of probabilities, by considering what I think more likely happened, in the circumstances, and determining what weight I should attach to the available evidence.

I appreciate Mr and Mrs S are concerned that documents relied upon by the investigator could be altered after the fact. But Connells is a regulated business and must comply with the regulator's rules and regulations when dealing with this service. As such I wouldn't expect a regulated business not to provide contemporaneous evidence requested and I haven't seen anything to suggest I can't accept the documents presented to me by Connells in good faith.

Mr and Mrs S have concerns about the 'fact find' completed in 2022 where there isn't a wet signature to evidence the meeting took place, that a suitability report was provided for top up cover and Mr and Mrs S declined this.

Having reviewed the information presented to me I am persuaded its more likely a meeting did take place, as this is referenced in subsequent correspondence sent to Mr and Mrs S. And Connells has provided its 'FACT FIND NOTES – purchase' from 7 February 2022 detailing Mr and Mrs S' new mortgage application requirements of £314,500. Under the 'PROTECTION' section of the notes it said;

'EXISITING PLANS

Clients have a joint Life/Cic policy. Before exchange they will update [policy provider] directly to update their cover. They are happy to proceed with the mortgage without covering their shortfall.

HUB NOTE

Mr & Mrs [S] do not wish to address any of their protection needs at this time and have a joint Life/Cic policy for their current mortgage in place. I have illustrated a shortfall quote and discussed the benefits of this with the clients, however they feel that they do not wish to pursue these protection policies at this time. Mr and Mrs [S] are aware of their shortfall needs and their reasoning for not taking protection is that they felt that they will update their cover later, before exchange of contracts, therefore they do not wish to address any of their protection needs at this time.

SDN NOTE

We have discussed the various areas of protection and I have highlighted the current shortfalls that exist within these individual areas for you. Your preference was not to cover your shortfalls at this moment and will review at a later time.'

The Hub Notes included details of Mr and Mrs S' income from employment, their ID which they wanted to certify fact to face and which looks to have taken at the meeting, buildings and contents insurance and the mortgage quotes etc. These notes were then updated in April and July 2022 about points that needed amending and system update requirements. This satisfies me the fact find was a live working document, updated as and when needed and as such, is contemporaneous evidence upon which I can reasonably rely.

Connells has also provided a 'YOUR MORTGAGE PROTECTION – STATEMENT OF DEMANDS AND NEEDS' ('SDN') document dated 7 February 2022, signed by the same

mortgage consultant who completed the fact find. The letter is addressed to Mr and Mrs S at their then current address.

The document referred to their potential new property address and for the mortgage amount of £314,500 as stated in the fact find. It thanked Mr and Mrs S for the opportunity to review their mortgage and income protection needs and summarised their requirements further to the meeting held and 'based on relevant information provided by you'. It detailed their mortgage protection needs and 'EXISTING ARRANGEMENTS' – £220,000 of cover over 25 years remaining at a monthly cost of £134.89. Under 'REPLACEMENT POLICIES' it wasn't recommended the existing policy be cancelled or replaced. Under 'YOUR VIEWS' for both life and CIC cover for Mr and Mrs S it said;

'You have confirmed that you do not wish to pursue this need further because you are satisfied with your existing arrangements.'

Mr and Mrs S weren't eligible for income protection, but they wanted to pursue both buildings and contents cover.

Under the 'MY RECOMMENDATION(S)' section it said;

'We have discussed the various areas of protection and I have highlighted the current shortfalls that exist within these individual areas for you. Your preference was not to cover your shortfalls at this moment and will review at a later time.'

The document concluded with 'IMPORTANT INFORMATION' – 'Shortfalls in Cover';

'Where I have made a recommendation but you have selected a reduced term or level cover I have made you aware that in the event of a claim you may not be fully protected.'

I can see the letter was correctly addressed to Mr and Mrs S' then home address. While I accept some mail does go missing, most correctly addressed post does reach the intended recipient. Connells hasn't told us of any record of returned mail. So, while I appreciate Mr and Mrs S may not recall receiving the SDN letter, on balance, I'm persuaded that the letter in question was printed on 7 February 2022 and sent to Mr and Mrs S shortly afterwards. In other words, I think it's more likely than not, that this is what happened. And as Connells isn't responsible for the safe delivery of mail, I can't blame Connells for the fact that Mr and Mrs S weren't aware of Connells' acknowledgement they didn't want to consider additional protection at the time because of any failure of a third-party postal service.

And I haven't seen anything to suggest that Mr and Mrs S didn't go on to take buildings and contents insurance for their new property as referred to in the SDN. So, this suggests to me they did receive the SDN. And if there was anything referred to in the SDN with which Mr and Mrs S didn't agree i.e. reference to the meeting that Connells said had taken place and the comments about the identified shortfall in protection, then I don't think it unreasonable to think Mr and Mrs S would have raised this with Connells in response. So, while I can't know what was said at the meeting, I haven't seen anything to suggest that the fact find notes aren't a fair reflection of what was discussed and as confirmed in the SDN likely sent on to them on the same day.

I can see a document produced by the policy provider, with whom Mr and Mrs S had their then current policy, dated 8 February 2022 – 'Your quick quote illustration of Life Insurance+'. It gave details of both lives covered and provided a quote for Life and CIC of £57,000 over a term of 35 years at a monthly cost of £95.34. And I think this further

evidences that the need for additional protection was discussed and a quote for that was obtained.

Mr and Mrs S say they would expect to see a recommendation letter confirming the additional top up to their protection and their confirmation that they weren't willing to take it. But I'm persuaded by the contents of the fact find notes and as confirmed in the SDN that additional protection was discussed but Mr and Mrs S were going to deal with this themselves, direct with the policy provider, when the property purchase was to complete. As such I wouldn't expect to see a letter recommending a top up to their cover as it had already been agreed this wasn't needed. It follows, I wouldn't expect to see a wet signature confirming Mr and Mrs S turned down any advice to top up. And Connells has confirmed that a wet signature hasn't been required on any insurance applications from its clients for many years and which included the initial advice in 2017.

Mr and Mrs S have provided recordings of two telephone messages from a representative of Connells. In one he identifies himself as being from the mortgage provider and in another he says he is affiliated with Connells. They say this suggests some representation and is an example of how Connells work. In response to listening the recordings Connells said they were made from someone in its retention team who was trying to contact Mr and Mrs S for a remortgage review, which I think is likely considering what was said in the messages. And Connells told us it went on to listen to multiple messages from the same representative where he clearly stated his affiliation with Connells, so the misrepresentation was human error and there was no intention to mislead or confuse Mr and Mrs S.

I don't find what Connells has said to be unreasonable. And ultimately, I don't find those messages have any bearing on this complaint. It's clear from the file the mortgage consultant Mr and Mrs S met with – who I note had also dealt with their 2017 mortgage application – and who subsequently provided the SDN was one and the same and I can't see there was any misrepresentation by him about his affiliation with Connells.

I am very sorry to hear of the circumstances Mr and Mrs S find themselves in in having to claim on the policy. I appreciate it must have been distressing to find they didn't have as much cover as they thought they had. They had taken the cover to protect themselves from the situation they now find themselves in. However, when looking at the circumstances surrounding Mr and Mrs S' complaint, my role is to be impartial and consider what's fair and reasonable.

And taking all the above into account, I'm not persuaded Connells failed to make Mr and Mrs S aware of their need for a top up to their protection at the time they took additional borrowing. I'm satisfied this was discussed and Mr and Mrs S made clear they were going to make alternative arrangements direct with the product provider when the house purchase was to be completed. While the information might not have been presented to Mr and Mrs S as they would like – a recommendation letter showing the shortfall in protection along with advice to take a top up which Mr and Mrs S would then reject – but in light of Mr and Mrs S' decision to contact the policy provider at the point of completion of the property, I wouldn't expect Connells then to go on to produce a recommendation letter when it was clear that wasn't something Mr and Mrs S wanted to do.

I'm satisfied the SDN sent to them on 7 February 2022 detailed and reflected the policies that had been recommended and the decision Mr and Mrs S had taken after discussion and being made aware there was a shortfall in their cover.

It follows I don't uphold Mr and Mrs S' complaint. I appreciate they will be disappointed. It's clear they, understandably, feels strongly about their complaint. But I hope I have been able to explain how I have reached my decision.

My final decision

For the reasons given, I don't uphold Mr and Mrs S' complaint about Connells Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 29 December 2025.

Catherine Langley
Ombudsman