

The complaint

Mr and Mrs J complain that Phoenix Life Limited mis-sold them a with-profits Endowment Plan with life cover.

What happened

Mr and Mrs J purchased a joint with-profits Endowment Plan with life cover with Pearl Saver a predecessor of Phoenix in April 1998. The policy term was for ten years with a sum assured of £2,868 at a monthly premium of £30 which they continued to pay for the duration of the policy term. Upon maturity of the policy in April 2008, Mr and Mrs J were paid £3,305.38.

In December 2024, Mr and Mrs J say they reviewed their finances and realised they did not require this policy at the time as they already had insurance in place. They said they should never have been sold this policy, so they complained to Phoenix.

Phoenix sent their final response letter on 13 January 2025 and didn't uphold the complaint. They said based on the information available, the policy was suitable for them. They added that the performance of the plan was dependent on the investment and never guaranteed.

An investigator here considered the complaint and didn't uphold it. She said she couldn't conclude that Phoenix had mis-sold the policy and believed it was suitable based on their circumstances at the time.

As Mr and Mrs 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.

Having done so, I have come to the same conclusion as the investigator. I will explain further.

I've started by looking at what information was available at the time of sale and consider whether there was enough evidence to prove on balance that Mr and Mrs J were mis-sold the policy. The application form, Customer Fact File, Illustration and Key Features document are all available. The information shows Mr and Mrs J had four dependent children and were looking for a savings and investment plan to provide a lump sum payment. The policy included life cover which was one of the financial objectives noted. This was a low-risk policy which invested in with-profit funds and as such was suitable for those investors with little or no investment experience. The fact find confirms their attitude to risk was cautious and I haven't seen anything that would suggest that this savings plan was not the right level of risk for Mr and Mrs J.

Mr J was working as an upholsterer with an income of £14,000 per annum and Mrs J was a housewife. They already had a Cashbuilder policy that was taken out in 1988 and a Gold

Plan policy taken out in 1994. It is noted that they had a life cover shortfall of £40,000 for Mrs J and £250,000 for Mr J and none of the existing policies covered the shortfall required so I don't see this policy as a duplicate of any of the existing policies.

This saver policy at £10 per month was affordable based on having disposable income of £40-£60 per month and having considered potential future expenses. The fact was that they were able to continue making payment of the premiums for the duration of the term and didn't complain to Phoenix in this period, would also suggest the policy was affordable.

I appreciate Mr and Mrs J's disappointment having invested £3600 over the ten-year period and expected to receive a return that was at least this amount, if not more. But the performance of the plan or the return does not determine whether the investment was suitable at the time it was taken out. The Fact Find confirms they were provided with a Key Features Document and an Illustration for the policy which showed what they may get back if the predicted growth rates were achieved. This included growth after factoring in costs of life cover, fees and charges. These were examples of what could be achieved and not guaranteed, and this is made clear in the documentation. Mr and Mrs J signed the documentation confirming the recommendations based on the information that was provided and that it had been fully explained.

The policy was intended to provide savings with a cautious risk investment element - it did provide both. I haven't seen any evidence to suggest this was not affordable for Mr and Mrs J, nor have I seen any suggestion the performance of the plan was guaranteed. Overall, I am satisfied that the policy was suitable at the time and not mis-sold. As such, I will not be asking Phoenix to do anything further.

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 and Mrs J to accept or reject my decision before 19 March 2026.

Naima Abdul-Rasool
Ombudsman