

## **The complaint**

Mrs P complains that Cullen Wealth Limited ('Cullen Wealth') failed to arrange a suitable trust for a life insurance policy.

## **What happened**

Mrs P is bringing a complaint as administrator of her late husband's estate, Mr P. Mr P sadly died in 2022.

Mrs P explains how Mr P was a client of Cullen Wealth on an advisory basis. Mrs P says that Mr P took out a life insurance policy in 2016 via Cullen Wealth. And this policy was taken out with the intention of leaving a cash lump sum payable to Mrs P and any children they had to help with financial security should anything happen to him.

Mr P was a farmer and had a separate life insurance policy to cover debts owed to the farm. Mrs P further explains that she and her husband had spoken about how important it was to ensure their family was properly cared for, aside from the farm. And Cullen Wealth failed to adequately advise and set up the right level of insurance in 2016 to ensure that Mr P's wishes would materialise in the event of his death.

Cullen Wealth explain how, in August 2016, it assisted with setting up two life insurance policies for Mr P. At that time, Mr P had recently secured lending on the farm, for £320,000. As such, one policy was taken out on a decreasing term basis, to coincide with the reduction in balance of the secured loan. The second policy was taken out on a level term basis for a sum assured of £200,000. Mr P paid two separate premiums.

It is this second level term policy (which I will refer to as 'family protection') for £200,000 which Mrs P is disputing.

Mrs P says she was of the understanding this this policy would pay directly to her and her children should Mr P die. However, Mrs P complains the way this policy was set up meant that the insurance paid into the estate, rather than to Mrs P and her children directly. This meant that her and her children didn't benefit from the policy in its entirety; Mr P's estate did. Mrs P further explains that the family protection policy ended up being paid into the family business, which is shared with her mother in law. And this wasn't what was supposed to happen.

Mrs P complained to Cullen Wealth about this issue in 2024. Cullen Wealth issued a response, advising that it didn't agree that the business did anything wrong in 2016 when advising Mr P and setting up the policies it did. However, it accepted that it caused some delays when the policy needed to be cashed in, in 2022. And for this, Cullen Wealth apologised, paid interest for the duration of the period of delay and also paid Mrs P a financial remedy to recognise the distress and upset caused to her by contributing to the delays in settling the insurance policies.

Mrs P remained unhappy with this complaint response. She maintains that the family protection policy from 2016 was not set up correctly to pay directly to her and her children,

and they have been financially disadvantaged as a result.

Mrs P then brought the complaint to our service.

The complaint was looked at by one of our investigators, who overall found that Cullen Wealth had acted fairly and reasonably.

Our investigator reviewed the case notes and records created by Cullen Wealth in 2016 about what policies were being taken out and why. She balanced her view by saying that relying on statements of events that happened over nine years ago were not likely reliable. So, she used the written evidence that was available from 2016 to help inform her thinking. And whilst she acknowledged that within this evidence Mr P talked about wanting to provide financial security for Mrs P and their child. He also ticked on the application form that he understood the policy was not being set up in trust. Therefore, our investigator couldn't agree that Cullen Wealth had provided a poor service when it set up the life insurance policies in 2016 because it hadn't received instruction from Mr P to set up a trust for him.

Mrs P, although understood our investigator's view and how she had reached this, couldn't accept the outcome. Our investigator was not persuaded to change her mind. As such, the file was passed to an Ombudsman for a final 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.

I have summarised this complaint and what has happened linking back to the crux of what Mrs P says went wrong. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this, and it simply reflects the informal nature of our service. Instead, I will focus on what I find to be the key issues and evidence relevant to this complaint.

I would like to start by offering my condolences to Mrs P and her family. Dealing with grief, whilst also handling all the administrative matters that come with a person's passing, can be very distressing. Especially when those administrative matters do not process as smoothly as expected.

My investigator colleague explained how she was persuaded by Cullen Wealth's position that as Mr P ticked to confirm that there wasn't an intention to set up a trust when completing the application form in 2016, there was no failing by not taking steps to arrange this.

Having reviewed all the information received in this case, I do agree with my investigator colleague's view, but for slightly different reasons. I will outline the consideration I have given to this complaint and explain how I have reached the decision I have based on the information available to me.

I've reviewed the application form myself for the policies Mr P applied for in 2016. Looking at how this has been completed, it appears to me that Cullen Wealth's financial advisor completed the form and asked Mr P to read and sign it (rather than Mr P ticking boxes himself). It is more likely than not the financial adviser did this based on the conversations he had had with Mr P, and he completed relevant sections of the form to assist in ensuring all essential information was included.

So, whilst I can see that under section 3.3 of the application form it clearly says there is no intention of setting up a trust, I think the key consideration shouldn't be whether Mr P understood what this meant. But rather, because Mr P was being advised on the suitability of financial products by Cullen Wealth, the key consideration is whether Cullen Wealth gave suitable advice.

Under the relevant rules set out within the FCA Handbook, specifically COBS 9A, Cullen Wealth has an obligation to ensure it gathers relevant information about a client's financial circumstances and objectives to then give suitable advice. To be clear, the advice needs to be suitable. This is not the same as the most suitable advice possible. Rather, suitable to the circumstances and objectives discussed with the client at the time financial advice is provided.

This means I am considering whether Cullen Wealth advised Mr P about the right sort of family protection policy, and whether this policy was suitable to recommend in the terms it was, rather than in trust.

The suitability of the policy itself is clear and doesn't seem to be in dispute. Mrs P and Cullen Wealth both agree that Mr P wanted a level term life insurance policy of a specific value (in this case £200,000) to pay a lump sum if he died. And looking at what happened after Mr P died, the policy did what it was supposed to do and paid out this value. So the policy in its basic form was suitable.

In terms of whether a trust should have been set up at the time, Mr P's objectives are clearly documented; his primary objective was securing life insurance to meet the requirements of a business loan. At the same time, he also took the opportunity to obtain some protection for his family whilst balancing the need for any premiums payable to be affordable.

It is my view that the additional family protection was not thought about too much by Mr P. Looking at the attendance notes taken by Cullen Wealth in August 2016, Mr P's personal protection needs were pretty broad. It is recorded that he simply wanted a sum payable upon death that could be used to support his new wife and any children they had. This need could have been met in a number of ways, not just in the form of a trust set up for any life insurance to be paid into. With quite a broad objective given by Mr P regarding his family protection, coupled with a need to secure business protection to be able to secure a loan on the farm; it is difficult to be critical Cullen Wealth for the advice it provided in 2016.

Cullen Wealth recommended something that would pay into Mr P's estate when he died. It is reasonable for the business to assume any lump sum paid would go to who Mr P intended – the business wasn't there to give Mr P legal advice on a will or implications of any other arrangements on his bequests. Just to recommend a suitable product to generate a lump sum on death (as that's what's recorded what he asked for).

Fundamentally, this basic family protection policy fit Mr P's objectives well enough to pay a cash lump sum upon death. The policy was therefore suitable to meet what Mr P specified he wanted at that time.

I am therefore of the view that Cullen Wealth provided Mr P with suitable financial advice in 2016 when he discussed both his business and personal objectives. As such, I won't be directing Cullen Wealth to do anything further to resolve this complaint.

I hope this decision provides some reassurance for Mrs P that she has taken her complaint as far as is practically possible, which I know she was keen to do to make sure she did all that she could in the circumstances.

I note that, aside from the original complaint, Cullen Wealth did provide a remedy for the delay in assisting with the settling of the insurance policies when the time came. And that Cullen Wealth calculated a remedy in line with relevant guidance to remedy any injustice caused by this delay. Whilst this isn't the primary complaint brought to our service for consideration; I'm pleased to see that Cullen Wealth took the approach it did here.

### **My final decision**

I do not uphold this complaint. I do not direct any remedy.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr P to accept or reject my decision before 2 March 2026.

Emily Bowyer  
**Ombudsman**