

The complaint

Mr F has complained that a representative of Quilter Financial Limited (Quilter) provided him with unsuitable protection advice when recommending a term assurance policy.

What happened

Mr F met with a representative of Quilter in 2014 to discuss his protection requirements. The adviser recommended that Mr F should replace an existing renewable term assurance policy with a term assurance policy over a term of 15 years.

In September 2024 Mr F complained, via a claims management company ('CMC') about the advice he'd received from the Quilter adviser in relation to the term assurance policy. Mr F didn't think the advice to take out a term assurance policy was suitable for him given his circumstances at the time.

Quilter considered that Mr F had made his complaint too late as the matters complained about, took place more than six years before he'd made his complaint. It said he'd also complained more than three years after he ought reasonably to have been aware he had cause for complaint.

Mr F remained unhappy and referred his complaint to the Financial Ombudsman Service.

The Investigator considered the complaint and agreed that the term assurance plan was taken out more than six years before the complaint was raised. However, she was of the view that there wasn't a subsequent point in time where Mr F ought reasonably to have been aware he had cause for complaint. The Investigator believed she could therefore consider the merits of the complaint in relation to the sale of the term assurance policy.

Having considered the merits of the complaint, the Investigator was persuaded that the plan was affordable and met Mr F's objectives, so it wasn't unsuitable for him.

The CMC responded to the view on Mr F's behalf saying that the adviser had failed to obtain sufficient information about Mr F's circumstances in order to provide suitable advice. They said neither the sum assured nor the term were able to be adequately assessed. The CMC also said the value of Mr F's business and substantial pension funds would've been available for his dependents tax free upon his death prior to age 75. They also said the term of 15 years was unsuitable as Mr F had intended to retire in 7-10 years.

The Investigator wasn't persuaded to change her opinion, so the complaint has been passed to me to make 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.

In order to consider whether the policy was suitable for Mr F, I've reviewed the documents completed at the time of sale, including the fact-find and the documents provided to Mr F, which set out the recommendation made and explained how the policy worked.

The fact-find noted that Mr F had an existing renewable term assurance plan with a sum assured of £850,000 which could be renewed every five years. The adviser noted it last renewed in 2012 and was due to be renewed in 2017. Mr F explained the premium had increased considerably at each five-year renewal.

The fact-find noted that Mr F was interested in a life assurance plan that would provide protection for his dependants in the event of his death, with guaranteed premiums. Whilst Mr F also had a business and substantial pension funds, as Mr F had an existing life assurance plan in place, I'm persuaded that Mr F wanted separate protection for his family and didn't want to rely solely on the value of his business and pension in the event of his death.

The adviser noted that Mr F was happy with the level of cover remaining at £850,000 but he didn't want a term of more than 15 years. The adviser has noted in the Protection Strategy report that they discussed at length, the importance of the benefits being held in trust.

The adviser recommended a level term assurance policy over 15 years with a sum assured of £850,000 to match Mr F's existing policy and hold it in trust. The adviser noted that the term covered Mr F's liability until he would no longer be working and needed this level of cover. The term of 15 years covered Mr F until he reached age 75, which corresponds to the retirement age detailed on a personal pension illustration provided to Mr F, a few months prior to this advice, in 2014. I am persuaded that the term of 15 years was suitable for Mr F's circumstances when the policy was recommended to him and met the need he described to the adviser. Placing the policy in trust also followed Mr F's objectives, with the sum assured being paid directly to the beneficiary and would not form part of the estate for tax purposes.

The adviser has documented in the Protection Strategy report that the type of contract recommended didn't include a surrender or maturity value, at any point in time. I'm also persuaded from the evidence from point of sale, that the adviser satisfactorily detailed the relevant risk warnings to Mr F prior to him taking out this policy.

Alternative options were also discussed and documented in the Protection Strategy report. The adviser documented that a like for like policy was considered but discounted as the premiums would be reviewed every five years and the total premiums payable would be greater than within the recommended product.

Overall, I'm unable to agree that the recommendation was unsuitable for the type and level of protection Mr F had asked for. The policy the adviser recommended provided the family protection Mr F desired and the premiums were guaranteed not to increase over the policy term, which Mr F had specifically asked for. If Mr F had wanted a lower level of cover over a shorter period then I think he would have said so at the time. Furthermore, if Mr F felt that he no longer needed the cover or if he retired earlier than he expected he could've cancelled the policy.

Ultimately, I do not consider that this level term assurance policy was mis-sold to Mr F.

My final decision

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or

reject my decision before 30 April 2026.

Lee Williams
Ombudsman