

The complaint

Mr S is unhappy that Bradford & Bingley Limited (B&B) mis-sold him an income protection policy.

What happened

In 1999, Mr S took out an income protection policy, following advice provided by B&B. Income protection policies were previously known as permanent health insurance policies. They are essentially the same.

The policy started on 10 November 1999 and ended on 16 December 2025. The monthly cost for the policy started at £22.84 and the benefit and premium increased over time.

Mr S contacted the insurer about making a potential redundancy claim. He was informed that there was no redundancy cover on the policy. Mr S was made redundant in February 2025.

Mr S made a complaint to B&B as the seller of the policy. Mr S said he'd discussed redundancy with the advisor in 1999. He believed that this was included in the policy and written documentation from the sale supported this. He provided a copy of the '*Personal Financial Details*' Form (PFDF).

B&B responded to Mr S and said the policy hadn't been mis-sold. It said Mr S chose a lower premium and this provided a different level of cover which didn't include redundancy. It also said the policy documentation didn't show that redundancy was included.

Unhappy Mr S brought his complaint to this service. Our investigator didn't uphold the complaint. She didn't think the policy had been mis-sold.

Mr S disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

It's important to point out that we're an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Mr S. Rather it reflects the informal nature of our service, its remit and my role in it.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that the seller of the policy needs to make sure the policy is right for the consumer.

B&B sold the policy to Mr S on an advised basis. So, B&B was required to make sure the policy it recommended was suitable for Mr S's circumstances and needs at the time.

As the policy was sold in 1999, there's limited information about the sale of the policy due to the length of time that's passed. I must therefore make a decision based on this limited information that's available.

I note in July 1999 the advisor recommended a permanent health insurance policy up to Mr S's retirement age and with a starting monthly premium of £22.84.

I've considered the PFDF which Mr S kept from the meeting on 21 July 1999. In the '*summary of needs*' section, under the '*Permanent Health*' heading, it states the following:

'Client 1 would like to look at this cover. He feels that he may be able to afford up to £50 for combined redundancy & sickness cover, he is prepared to vary retirement age, level of cover and deferred period to achieve this. Not interested in covering client 2 as she's in temporary work and mortgage has been based on main wage only.'

It's clear from the above that the policy was for the needs of Mr S and not his wife. Under the product recommendation of the same form, a permanent health insurance policy was recommended for a monthly premium of £22.84. At the end of the form, there is confirmation that Mr S fully understood the recommendations and the reason for selecting the appropriate products and providers. Mr S was also given a product brochure, and a key features schedule was issued. Additionally, Mr S was given the opportunity to review the proposal forms and a '*Reason Why*' letter was issued.

I note there was also a '*Customer Needs Analysis*' form that was completed on 26 July 1999. This confirmed that a permanent health insurance policy was accepted in Mr S's name only and was for a monthly cost of £22.84.

Mr S says from the start, his understanding was that the policy covered redundancy and illness. I've considered his comments in the light of the information available.

In discussions that took place on 21 July 1999, during that meeting, the monthly premium changed from around £50 to £22.84. And the premium for the permanent health insurance policy was confirmed on 26 July 1999 to be £22.84. Due to the limited information about what happened between these two points, I can't be certain why the premium changed. So, I have to consider, on balance, what's most likely to have happened.

I think it's likely some discussion took place for the premium to have reduced. I can also see that two other policies were recommended which stayed almost the same between the two meetings on 21 July 1999 and 26 July 1999. So, it was only the permanent health insurance policy premium that changed. Some discussion about this policy must have taken place for this to happen and for it to be recommended at this lower premium, which Mr S agreed to. I also note there was a total budget amount stated earlier on in the form. Given that the change was only on this one policy, I think it's very likely the advisor would have explained why the premium of £22.84 was recommended and what this meant in the level of cover for this monthly cost. There's confirmation that Mr S was given key policy documentation and a '*Reason Why*' letter. The policy documents issued also don't show that redundancy cover was included in the policy. Whilst I haven't seen all of these documents and it's not clear why Mr S chose the lower premium policy, I think overall there is sufficient information for me to

conclude that, on balance, the policy wasn't mis-sold by B&B and it met the relevant requirements for the advised sale.

I'm sorry to disappoint Mr S, but it follows therefore that I don't require B&B to do anything further.

My final decision

For the reasons given above, I don't uphold Mr S's complaint about Bradford & Bingley Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 February 2026.

Nimisha Radia
Ombudsman