

## **The complaint**

Mr and Mrs R complain that Lloyds Bank Plc ('Lloyds') mis-sold them a reviewable whole of life plan.

## **What happened**

I've outlined what I think are the key events and points involved in the complaint below.

In early 1993, Mr and Mrs R received advice – which I understand Lloyds is responsible for – to take out a reviewable whole of life plan with a policy provider I'll refer to as 'Firm B'. This was a Lifetime Security Plan taken out on a first death basis, with waiver of premium benefit and an inflationary increase option. The plan commenced in or around April 1993, the sum assured was just under £87,500 and the annual premium was £100.

In early 1995, Mr and Mrs R wrote to Lloyds and said, amongst other things, that they wanted to reduce their plan premium on what they hoped was a short-term basis to the minimum amount of around £23 per month, but for the maximum sum assured would provide. And, since June 1995, Mr and Mrs R's monthly premium has remained at £22.98 with a sum assured of £34,976.

Plan reviews were then missed, which meant Mr and Mrs R unfortunately didn't receive a review until 2023, which said action needed to be taken. And, after raising a complaint about this against Firm B that has been separately responded to by our Service, Mr and Mrs R also complained to Lloyds in April 2023 that their plan had been mis-sold as they weren't told at the time that it is reviewable.

In June 2023, Lloyds sent its final response letter not upholding the complaint. It said that while it isn't required to have kept the suitability report and fact find due to the time that has passed, based on its known sales process at the time the adviser would've explained the key aims and risks associated with the plan. It said the supporting literature from the time explained that the plan is reviewable. And that while it can't provide good copies of Mr and Mrs R's declaration, they signed this to accept the recommendation made at the time.

In July 2023, Mr and Mrs R let us know they were unhappy with Lloyds' response. They maintained the plan was mis-sold as they weren't told it is reviewable. They said Lloyds can't provide any records or signed evidence from the time which shows they agreed to a reviewable plan, other than general or unreadable documentation. And that the two versions of the plan terms they've been provided with, which aren't signed by them, show there may have been many variations of this which incrementally changed over time.

Because no agreement could be reached between the parties, I'm considering the complaint for a decision. And I issued a provisional decision – which is largely set out again below – which explained that I didn't intend to tell Lloyds to do anything. And, while Lloyds accepted my provisional decision with no further comments to add, Mr and Mrs R didn't respond with any further comments or information, despite being reminded of the deadline to do so.

## **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 should clarify at the outset that this decision only addresses Mr and Mrs R's mis-sale complaint. As I've said above, their complaint about a review having first taken place in 2023 after being missed for a significant number of years has already been separately responded to by our Service.

And, having considered Mr and Mrs R's mis-sale complaint, while I appreciate their circumstances and that they'll be disappointed, the outcome remains the same as that set out in my provisional decision, which I've largely repeated again below.

In deciding this complaint I've taken into account the law, any relevant regulatory rules including the principles and good industry practice at the time.

While I've carefully considered the entirety of the submissions the parties have provided, my decision focuses on what I consider to be the central issues. The purpose of my decision isn't to comment on every point or question made, rather it's to set out my decision and reasons for reaching it.

While some information from the time of sale is no longer available due to the passage of time, such as the fact find and suitability letter, Mr and Mrs R's complaint isn't that this plan was unsuitable for their needs in the circumstances. So I haven't considered that in any detail here, other than to briefly say for completeness that it isn't in dispute that there was a want and need for the plan to provide sufficient cover for Mr and Mrs R if one of them were to pass away. And I think this is further supported by their submissions, which demonstrate their ongoing need for the cover and their desire to maintain it where possible. So I don't think the recommendation was unsuitable in the circumstances.

Instead, I think the key issue concerning the sale here is that Mr and Mrs R feel they weren't told the policy is reviewable. Having considered this though, while I appreciate Mr and Mrs R's position, I'm conscious the sale happened over thirty years ago. I note that they themselves have recognised to us that it may be the case that they were advised the policy is reviewable. In my experience of these policies, given the reviewable nature and knowing how these were sold, I think it's likely the adviser would have explained that the policy is a reviewable one. And, having looked at the available information from the time, I think this supports that Mr and Mrs R were likely told this, for the following reasons.

Importantly, Lloyds has been able to provide a copy of Mr and Mrs R's 'Product particulars' document from the time, which set out their individual plan details and provided them with information concerning their contract. Amongst other things, this set out a description of their plan, its benefits and options. And, on the third page under a 'Plan Reviews' heading, this said that the benefits are guaranteed for the first five years and will then be reviewed, after which reviews would be every five years or at such time as the provider determines. This also explained what would happen at reviews, in that if it determines that the policy can't be supported until the next review date, and if the insured doesn't elect to increase the premium to the required amount or to reduce the sum assured, then the sum assured will be reduced accordingly.

I also think Mr and Mrs R would likely have been provided with a copy of the key features and plan terms and conditions at, or around, the time of sale. I note there has been some dispute about the applicable terms – Mr and Mrs R said Lloyds gave them two unsigned versions of the plan rules. Looking at the document codes though, I think these would likely

have been the applicable rules from 1992 and then from 1995. Such that it seems likely Lloyds provided these as the versions most recent to when Mr and Mrs R took out their plan in 1993. And, in any case, I can see that both contain in effect the same, or at least very similar, information in respect of reviews, and to that contained in the Product particulars document that I've detailed above.

The key features document Lloyds has provided from the time also clearly set out in the first pages under a heading 'Reviewing your plan', amongst other things, that the plan will be reviewed at periodic intervals to ensure the provider can continue to guarantee the level of cover for the premium being paid. And the 'Technical Information' sheet that came with this again detailed similar information.

For the above reasons, I can't say that there were any misstatements or that Mr and Mrs R were given any guarantees that the policy wouldn't change over time. The adviser may not have told Mr and Mrs R about the potential for significant changes in the future at reviews. But the scale of any changes wouldn't have been apparent to the adviser or quantifiable at the time, as it was dependent on several factors including investment performance and could only be established at the point of reviews.

I think all the adviser could have done was to explain the reviewable nature of the policy to Mr and Mrs R and that there could be changes. As this information was clearly set out in the documents I think Mr and Mrs R were given at the time, I can't fairly say that relevant material information wasn't disclosed to them. Instead, I think it was likely explained to Mr and Mrs R that the plan is a reviewable one.

In summary, this means I'm not asking Lloyds to do anything, as I can't fairly say it has done anything wrong.

### **My final decision**

For the reasons given, my decision is that I'm not asking Lloyds Bank PLC to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 13 January 2026.

Holly Jackson  
**Ombudsman**