

The complaint

Mrs P complains that Santander UK Plc gave her unsuitable and misleading advice to take out a level term assurance policy with additional total permanent disability ("TPD") cover.

What happened

In 2002 Mrs P was advised by Abbey National to take out an Abbey National level term assurance policy, which provided cover for life, critical illness, terminal illness and TPD. It had a sum assured of £50,000, monthly premiums of £39.41 and an end date of March 2026. It also included waiver of premium benefit. The policy is now provided by a third party, and Santander are responsible for the original advice. For ease, I'll refer to Santander when talking about the adviser in my decision.

In 2021 Mrs K made a claim under the TPD section of the policy. Following investigation, the policy provider declined the claim in 2023 and in 2024 they didn't uphold a complaint about the outcome of the claim. They explained this was because:

- The TPD definition must be satisfied before the age of 60.
- The terms of the policy required that a disability through illness or injury must be total and permanent for a claim to succeed. They said this meant a diagnosis needed to be confirmed and the appropriate and recognised treatments have been provided and shown to have been unsuccessful.
- Though Mrs P was undergoing tests prior to her 60th birthday in September 2016, the policy provider said the definition in the terms had not been met.

Mrs P then complained to the policy provider about the sale of the policy, saying she wasn't warned that the TPD would end at 60 and the adviser had misrepresented the policy. The policy provider passed her complaint to Santander, as they were responsible for the advice. Santander didn't uphold the complaint, explaining that they couldn't be sure what was discussed during the conversations in 2002. They said the paperwork the adviser would have given Mrs P was clear that the TPD ended at age 60.

Mrs P remained unhappy and brought the complaint to our service. An investigator considered the complaint and didn't uphold it – she found it likely that Mrs P would have received the policy documents, including the terms and conditions, which she felt clearly set out that the TPD would end at 60. Mrs P didn't agree, providing a copy of the illustration she was given in 2002, which didn't mention TPD, and only discussed the other benefits ending at the end of the policy's term. As no agreement could be reached, the complaint was passed to me for a decision.

I got in touch with Santander to ask for some further information and to find out if they had any other point of sale documents. In particular I asked for the fact find in which the adviser would have recorded Mrs P's circumstances and objectives, and the suitability letter in which the adviser would have set out his recommendations in writing to Mrs P. Santander confirmed they didn't hold either of these, but they confirmed that the adviser would have been employed by Abbey National at the time, so only would have sold Abbey National products. They also confirmed that generally at the time TPD was only available to age 60.

The investigator also got in touch with Mrs P to ask if she had any further documents from 2002 to assist with our investigation, but we didn't receive a reply. I then issued a provisional decision on the complaint, in which I made the following findings:

My provisional decision

"Before I go into my findings, for clarity, I want to set out that in this decision I'm only looking into the advice given in 2002 – I won't be making any findings about the outcome of the claim itself. I've mentioned the claim above just to set out the background to this complaint.

Having considered the submissions about the advice given, I'm not convinced I have enough evidence to make a finding that Mrs P was intentionally misled in 2002 about the TPD benefit on her policy. However, even if I were to find that Mrs P wasn't told about the end date of this benefit, and so the adviser ought to have done more in 2002, I'm satisfied she would have gone ahead with the same policy regardless and will explain why.

When considering a complaint about advice given, the fact find and suitability letter are really helpful pieces of evidence, because the intention of those documents is that they reflect the conversations that took place. Without those documents, I need to decide what Mrs P's likely objectives were in 2002, in order to decide whether the adviser treated her fairly and reasonably in giving her advice.

Based on what Mrs P has told us, and the documents that I do have available, I'm satisfied that Mrs P wanted a sum assured of £50,000 to pay out if one of four events took place – if she died, if she were terminally ill, was diagnosed with a critical illness, or if she suffered from TPD. She's not raised any concerns about the affordability of the policy, or its overall term of 24 years – to the policy anniversary before her 70th birthday. So, I find it likely that, with the exception of the TPD part of the policy, the cover met her objectives in 2002.

The documents I do have are: the illustration, the policy schedule, the application form and the terms. None of the first three of those documents mention that the TPD ends earlier than the end of the policy term. I find it unlikely that the adviser would have explicitly lied to Mrs P about the term of the TPD benefit, given that lie would be easily discovered when Mrs P received the terms and conditions. But I accept it is possible that it wasn't discussed at all, which would be in line with Mrs P's recollections that the earlier end date wasn't mentioned by the adviser.

If I take Mrs P's recollections at face value and accept that the adviser didn't tell her the TPD would end at age 60, my next step would be to consider what would have happened, if the adviser had been clear about it. In order to think about that, I've considered the general purpose of TPD and how most policies that included TPD worked in 2002.

TPD generally is linked to a person's ability to work – in most policies there's a link between the illness and how it impacts the life insured's ability to continue in employment. I can see that Mrs P's TPD benefit covered two scenarios, "Suited Occupations" and "Work Tasks". The first, Suited Occupations, was designed to pay out if Mrs P could no longer carry out any paid work which was suited to her by way of knowledge, experience or training, due to an irreversible illness.

In 2002, 60 was the age at which women in the UK would receive state pension and most would choose to retire. This is why the TPD element of Mrs P's policy ends at 60 – it's built into the design that the benefit would end at the age most women would retire. Although the "Work Tasks" part of the cover doesn't appear linked to Mrs P's employment status, it is still a type of TPD benefit, so the same approach is generally taken in industry.

If that had been fully explained to Mrs P, I've thought about whether she would have continued with the policy regardless. In my experience most policies sold around that time only included TPD until age 60 – not just the Abbey National policies but I'm aware of other providers with similar clauses. In my view, it's unlikely that Mrs P could have gotten a policy that included TPD to a later date, at around the same price she paid for this policy. That's because a longer term would have been an unusual feature, and non-standard features tend to be more expensive.

As set out above, in my view it's clear that TPD was a benefit that was important to Mrs P. Therefore, if the adviser had clearly explained that the TPD benefit would end after 14 years, rather than at the end of the overall policy term, I'm satisfied that Mrs P would have still gone ahead with this policy. So, the TPD benefit would have always ended in 2016 rather than in 2026. As a result, even if I were to find that the adviser misled Mrs P, I'm satisfied she'd be in the same position now and Santander hasn't caused her any financial loss."

Neither Mrs P nor Santander replied to the provisional 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, as I've not received any further submissions from the parties to the complaint, I see no reason to depart from the findings set out in my provisional decision (copied above) and I make them final.

My final decision

I don't uphold this complaint, for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 14 January 2026.

Katie Haywood
Ombudsman