

The complaint

Ms L has complained that she was misadvised by Purple Wealth Ltd in relation to two income protection policies.

What happened

The background to this complaint is well known to the parties so it serves no purpose for me to repeat the details in full here. In summary from 2005 Ms L had income protection policies with two insurers – I'll refer to as LV and DP. In 2018 she took financial advice from Purple Wealth. Unfortunately, she had an accident in 2019 which resulted in her needing to claim on the policies.

I note we have set up another complaint about Purple Wealth, but in this decision, I'm considering Ms L's complaint that Purple Wealth failed to review her income protection policies to ensure that they were suitable for her needs. Ms L has also raised a complaint about the way Purple Wealth sent personal data to her, which I have looked at. As explained by our investigator wider pension advice issues concerning Ms L (and Mr L) and not pertaining to the impact on Ms L's income protection policies has not been considered as part of this decision.

When Purple Wealth didn't uphold her complaint Ms L referred the matter to this Service. At the investigation stage of our process, it wasn't recommended that the complaint be upheld.

Ms L appealed.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure the parties I've read and considered everything on file including the detailed points Ms L made following the investigators' views. But I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I appreciate that Ms L will be disappointed by my decision, but I agree with the conclusion reached by the second investigator for the following reasons:

- Although it did not sell the policies to Ms L, Purple Wealth had a duty to conduct its business with due skill, care and diligence. It also had to pay due regard to the interests of its customers and treat them fairly. In particular these principles applied to the review of Ms L's income protection policies.
- Purple Wealth has said that at the first meeting with Ms L in 2018 her concern was

that she may be overinsured in the event of a claim. Ms L on the other hand says that she never said this. Ms L has expressed concern at the limited evidence from Purple Wealth - but it doesn't necessarily follow that this means she was misadvised. Where there is a conflict of evidence - as is the case here with regards to what occurred - I must decide what is more likely than not to have happened.

- I'm persuaded Purple Wealth reviewed Ms L's financial documents, including company accounts for the year ending 2017. It found that no further action needed to be taken in relation to the income protection policies. This was discussed in a follow up call later in 2018. In July 2019 as Purple Wealth concluded there had been no major change, the income protection policies were left as they were. The claim was then made and both policies responded.
- Taking the two income protection policies in turn, I've first considered the LV policy. I don't find that Purple Wealth misadvised Ms L in respect of this policy. This is because the LV policy definition of income doesn't include pension contributions. Accordingly, it wouldn't have been necessary for Purple Wealth to advise Ms L that pension contributions would be treated as income when this was contrary to the policy terms – as the definition of income didn't include pension contributions.
- I understand that at the commencement of her claim Ms L asked LV to include her pension contributions as part of her income to base her claim on. But this is a matter between Ms L and LV and not something that forms advice or mis-advice on the part of Purple Wealth.
- Turning to the DP policy, Ms L has argued that there was a pattern of misdirection. She says that by not requesting policy details or servicing rights her financial situation wasn't fully reviewed. It is not in dispute that Purple Wealth wasn't appointed as servicing agent for this policy, but it doesn't follow that because of this Ms L was misadvised. I find that Purple Wealth used the information provided by Ms L at the initial meeting for its calculations.
- Ms L's claim was accepted in 2019; it was only in 2024 that DP became aware that business profit had increased significantly and found that there had been no loss of income. However, at the time of the 2018 review Purple Wealth's assessment was that the policy would pay full benefit in the event of a claim. I find this was correct. I don't agree that Purple Wealth should have advised Ms L to move away from the DP policy at this time.
- Purple Wealth carried out a further review in 2019, prior to Ms L's accident in November 2019 and subsequent claim. By this time, she had given up her employed work but Purple Wealth didn't consider that overall, there was a significant change in Ms L's income and expenditure. So, no changes were made to the income protection policies. I've thought carefully about this as the profit retained from Ms L's business was greater than it had been in the previous year. Ms L feels that the policy at that time wasn't fit for purpose. I don't agree. I say this as it wasn't at a level which would have (or indeed did) prevent a successful claim being made on the policy. So I don't find that Purple Wealth erred or misadvised in the circumstances.
- I accept Ms L's submission that she was reasonably entitled to assume that prior to her accident, Purple Wealth's view was that her income protection policies were suitable for her. After all, she was the lay client seeking professional financial advice. But Purple Wealth was fully aware of Ms L's finances and following discussion with her concluded that no action needed to be taken. Having considered its rationale, I don't find that was mis-advice for the reasons given above. Likewise, I don't find that

Purple Wealth was obliged to search the market for other income protection policies, either before Ms L's claim or, for the avoidance of doubt, when the claim was in payment.

- As the investigator explained this Service doesn't regulate compliance with data protection laws – that is the role of the Information Commissioner. However, I'm not persuaded that Purple Wealth was acting unfairly when processing Ms L's subject access request. Purple Wealth sent personal data by recorded delivery to Ms L at the correct address – so I don't find that it did anything wrong here.
- I do recognise that Ms L is facing requests for repayment of some benefit paid by DP and LV. I have no doubt that this has been both stressful and worrying for her and I acknowledge too the difficult time she has had due to personal and family illness and bereavement. But on the basis of the evidence before me I can't conclude that the requested repayments are due to poor advice from Purple Wealth or that it treated her unfairly, unreasonably or contrary to regulation when reviewing her income protection policies. I am sorry that my decision doesn't bring Ms L welcome news.

My final decision

For the reasons given above I don't uphold this complaint about Purple Wealth Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 27 February 2026.

Lindsey Woloski
Ombudsman