

complaint

Mr B's complaint is about his Legal & General Assurance Society Limited mortgage endowment policy.

background

Mr B made a complaint to L&G that the policy had been mis-sold and mis-managed. L&G didn't uphold his complaint.

Mr B then brought his complaint to us. It was considered by one of our adjudicators who said that the complaint about mis-sale was out of time under the rules we must apply. He also said that L&G didn't have to give details about its charges at the time, and he couldn't see L&G had done anything wrong in managing Mr B's policy.

Mr B didn't agree so it's been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I don't doubt that this is very important for Mr B. But although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

This service is impartial between, and independent from, consumers and businesses. What this means is that we don't represent either party, and I don't act under either's instructions or take directions on how a complaint will be looked at.

In respect of every case we receive the first thing we must do is decide whether it's something we're *allowed* to look at or whether there are any reasons why we *shouldn't*.

L&G sent a high risk warning letter in 2002 and then a further warning in 2006 which included a deadline date to complain in 2007. This complaint was made in 2014 and so was made too late.

The rules which apply do allow me to set aside the time limit if the delay in complaining was due to exceptional circumstances. This normally involves circumstances such as ill health which meant that a consumer wasn't able to complain in time.

Mr B has told us that he was aware of the underlying investment risk to the policy. But he feels that risk was increased – to the point the target amount would never be achievable – by the level of fees and charges. He says this means the high risk warning letters shouldn't stop him from now complaining, as they didn't make him aware of the increased risk due to the level of charges.

I don't agree. Whether the growth rate required - or in fact the underlying charges - were too high or not would be a factor to consider in determining the outcome of this complaint but I can't consider the outcome of it if it's not one we're allowed to look at. The degree to which any advice may have been "bad" isn't a consideration to decide whether a complaint is one

we can look at. I also note that the growth rate needed was within the regulator's guidelines for the time and L&G didn't have to detail the fees and charges of the plan.

Mr B was sent re-projection letters that showed his policy was unlikely to meet the target amount. The reasons for that are irrelevant in terms of the risk and whether the level of risk may or may not be higher due to the charges. The letters were clear that there was a high risk of a substantial shortfall, and that any complaint had to be made by 24 April 2007.

The performance of Mr B's policy is what it is. The maturity value is the result of a great many decisions made throughout the life of that policy and investment returns. Policies like this are extremely complicated and difficult to understand. That doesn't make the maturity value wrong however.

I don't think that the policy value is anything other than a product of the normal factors that affect such policies. The value of the policy is less than Mr B hoped for. That's unfortunate. However, I've seen nothing to make me think that value is wrong, or as a result of something untoward as Mr B has suggested.

Whilst I understand Mr B's concerns about who sold the policy, that doesn't affect my decision. Regardless of whether the complaint was looked at against L&G, his mortgage lender or the other company involved the outcome would remain the same. For this reason I see no value into going into it any further.

my final decision

I can't consider the mis-sale part of this complaint as it's not within my power to do so. And my final decision is that I don't uphold the rest of this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 8 January 2016.

Julia Chapman
ombudsman