

complaint

Mrs G complains about the life assurance policy that she took out with Lloyds Bank plc (previously Lloyds TSB Bank plc). In particular she complains that the premium required to continue her cover has increased significantly.

background

Mrs G's late husband took out a 15 year level term assurance policy in July 1988. The sum assured was £13,000 and the monthly premium was £5.29. The policy ended in July 2003. Mrs G then took out a ten year level term assurance policy. The sum assured was £15,385 and the monthly premium was £10. That policy expired in July 2013. Mrs G complained to Lloyds because she said that the policy sold to her in 2003 was intended to continue for the whole of her life. She also complained that the cost of a new policy was considerably higher than the premiums for her earlier policies. She was not satisfied with Lloyds' response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that the policy that was sold to Mrs G met her needs and he did not agree that Lloyds acted incorrectly or misled her regarding the policy.

Mrs G has asked for her complaint to be considered by an ombudsman. She says that she thought that the policy would continue for the rest of her life and that she would only need to pay £10 each month for the cover.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Lloyds has provided the personal fact find and personal summary and recommendations report that were prepared for Mrs G in 2003. It is clear from those documents that Mrs G's priority at that time was to provide financial protection for her husband in the event of her death prior to her retirement age.

Lloyds recommend a policy with a sum assured of £68,000 but Mrs G wanted to pay lower premiums so chose to take out a policy with a sum assured of £15,385. Mrs G was then 55 years old so a term of ten years would provide protection until she retired at age 65. I find that it was clear from the documents that were provided to Mrs G that the policy had a term of ten years. That is also consistent with the requirements that she had identified.

The policy expired in accordance with its terms in 2013 and could not be continued. Lloyds suggested an alternative policy to Mrs G but at a significantly higher premium. It also suggested that she take some financial advice.

I find that the ten year level term assurance policy was a suitable policy for Lloyds to recommend to Mrs G in 2003 and that it was affordable for her. I am not persuaded that Lloyds has acted incorrectly. So I find that it would not be fair or reasonable for me to require Lloyds to pay any compensation to Mrs G or to take any other action in response to her complaint.

my final decision

For these reasons, my decision is that I do not uphold Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs G to accept or reject my decision before 9 November 2015.

Jarrold Hastings
ombudsman