

## **complaint**

Mr P, through his claims management company (CMC) has complained about the suitability of the advice he received from Abbey Life Assurance Company Limited in 1995 to take out a whole of life policy.

## **background**

Mr P and his wife met with an adviser from the business in July 1995 following a review of a pre-existing whole of life policy.

At that time it was noted that the level of cover for Mr P's existing policy was reducing following a review. It was also recorded in the fact find recorded at the time of the sale that Mr P was married and both Mr and Mrs P were aged in their forties. They were both working with Mr P earning around £25,000 a year and Mrs P earning around £8,000 a year. Their disposable monthly income was in the region of £800.

Mr and Mrs P had two dependent children and they did not have a mortgage. It was noted that they had a need for life cover as well as critical illness cover. Mr P's potential inheritance tax liability was also discussed.

Mr P's existing policy allowed him to take additional cover using the guaranteed insurability option. This allowed him to take further life cover without the need to declare changes to his health.

The policy had a sum assured at outset of just under £60,000. It was reviewed at the ten year point and the sum assured was reduced to £42,144. Mr P then surrendered the policy in 2015.

The complaint was investigated by one of our adjudicators who was of the view it couldn't be upheld. She was satisfied Mr P had a need for life cover for the whole of his life. She also felt the policy was affordable for him.

Mr P's CMC didn't accept the assessment. So as no agreement could be reached the complaint has been passed to me to review.

## **my findings**

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, I don't think the complaint can be upheld.

Due to how long ago the sale took place there is little information available. However the fact find document has been provided by Abbey and this shows that Mr P sought a review of his protection himself following the ten year review of his existing policy. It also records his personal circumstance as detailed above.

Given his circumstances and also his recorded need for life I can't say this whole of life policy was unsuitable for him. I appreciate that he had dependent children, so it could be argued that life protection could have only been needed until they stopped being dependant on him. However while the details in the fact find stated he wanted life protection it doesn't state that he wanted this protection only for a specific term. Also, because the fact find

details he wanted to think about inheritance tax mitigation it's also appropriate that he was recommended a policy that would pay a lump sum upon his death whenever that may be rather than only during a specific term.

I know there is always the possibility for any reviewable whole of life policy to require increases in the premiums to maintain the initial desired sum assured at some point during the life of the policy; which could make the policy unsuitable for inheritance mitigation. But, Abbey has confirmed to me that this policy was set up on what would be the equivalent of a standard cover basis now. This means that it was more likely that the sum assured would stay at the desired level for longer than whole of life policies set up on a different basis. So given this I can't safely conclude the policy was unsuitable even taking account of the fact Mr P wanted to think about his inheritance protection.

Over therefore, while there is very little information, given what I have seen and the recorded needs and objectives of Mr P at the time of the sale I can't safely conclude the policy wasn't suitable for him. And I think it largely provided the protection he was looking for at that time.

### **my final decision**

My final decision is that I don't uphold this complaint and I make award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 April 2019.

Ayshea Khan  
**ombudsman**