

## **complaint**

Mr H complains that Phoenix Life Limited wrongly recommended a life and critical illness policy in 1990.

## **background**

His representative said the advisor failed to consider the potential long term affordability of the plan or other more suitable alternatives. He also didn't take into account the risk Mr H was prepared to accept with his money.

An adjudicator at this service didn't feel the complaint should be upheld.

He noted that Mr H was married with a young child and ran his own business, something which indicated that a life and critical illness policy was a not inappropriate recommendation. He said it would have been difficult if not impossible for the advisor to assess the likely long-term affordability of the plan, particularly after retirement. But he didn't think that meant the recommendation was necessarily unsuitable.

Overall, he said that there was understandably very limited information about the sale given the passage of time and the limited regulations in place at the time. He therefore couldn't be sure whether issues such as investment risk or other options had been discussed.

Mr H's representative did not agree, and said:

- The cost of premiums was significant and there is no record as to whether the advisor recorded Mr H's financial position at the time, and it is important to note that he surrendered this plan within a few years
- Given the business also sold Mr H two savings plans around this time his total monthly outlay amounted to £345 so affordability was clearly going to be an issue
- Given Mr H was self-employed a term assurance policy would have been more suitable as the premiums would not have been reviewable - so avoiding the risk of unknowable rises after the first 10 years

## **my findings**

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

In this case I agree with the adjudicator for the same reasons.

This policy appears to have been, in principle, a reasonable recommendation, given Mr H's declared situation. Whether it best reflected Mr H's objectives or whether another recommendation might have been more suitable is something I don't feel able to safely assess given there is very little paperwork about this sale or any other corroborating evidence.

As this sale took place nearly 30 years ago, I don't think one can solely rely on Mr H's recollections as to what was and what wasn't discussed - including whether his financial position was explored or his likely ability to pay the premiums going forward. I don't believe that the mere fact he cancelled the policy within a few years is sufficient to say it proved unaffordable.

I therefore don't believe there is sufficient evidence to uphold this complaint.

**my final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 November 2019.

Tony Moss  
**ombudsman**