

complaint

Mrs N complains she was mis-sold a term assurance policy by The Prudential Assurance Company Limited in 1999. She says she was recently bereaved and in no state to receive advice at the time of sale and that she thought there would be a cash payment at the end of the policy's term.

background

In 1999, Mrs N took out a term assurance policy with a sum assured of £50,000 for a term of 13 years. Mrs N's husband had recently died and this cover was intended to provide protection for Mrs N's 12 year old son in the event of her death. The cover was taken out following a meeting with a Prudential representative.

Prudential say the policy was appropriate for Mrs N and that she was provided with documents which set out the terms of the policy including the fact that it would pay out on her death during the term only. Taking into account Mrs N's circumstances at the time of sale they say they believe life cover protection for her family in the event of her death was important to her and that the policy was suitable for this.

Our adjudicator didn't uphold the complaint. He said he appreciated Mrs N's difficult circumstances at the time of sale, but noted that she could have complained during the 13 years for which the policy ran. He didn't think it was inappropriate for Prudential to have provided advice to Mrs N whilst she was grieving, as her son had been left in a financially vulnerable position such that putting financial protection in place then was a good idea. He said he'd looked at the documents provided and couldn't see any evidence of the policy claiming to provide a maturity value or of Mrs N having requested this. He also said he was satisfied this cover was a suitable recommendation for Prudential to have made.

Mrs N didn't agree, saying she'd wanted a savings plan and that she was not in a fit state to comprehend what she was agreeing to because she had recently lost her husband.

As agreement has not been reached on this matter, it has been referred to me for review.

my findings

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

Mrs N says she expected to receive a cash sum at the end of the policy's term. I have no record and so can't be sure of the exact detail of the conversation between Mrs N and the Prudential representative at the time of sale, but the documents provided don't make reference to a cash sum being available at the end of this policy or that this was something which Mrs N required. On the evidence provided, therefore, there is nothing to suggest that the policy was presented as offering a cash sum on maturity.

Mrs N also says that she was looking for a savings plan, but again nothing in the documents provided suggests Mrs N was seeking a savings rather than a protection product. The Prudential's recommendation letter states that Mrs N was only interested in receiving advice in relation to life cover and didn't want to discuss anything else, including savings. In addition, the savings section of the fact find document from Mrs N's meeting with the

Prudential representative is blank. As a result, on the evidence provided, my view is that Mrs N wanted a protection rather than a savings product at the time of sale.

The policy was recommended to be for a term of 13 years. This provided cover until Mrs N's son was 25 and was in my view an appropriate term. The policy provided a lump sum of £50,000. This was lower than Prudential recommended, but in the circumstances any cover was better than none for Mrs N's son and in my view it was appropriate for Prudential to provide a policy with this sum assured. As the premiums were paid throughout the term of the policy, affordability doesn't appear to have been an issue and given the appropriateness of this product for Mrs N's circumstances it would be reasonable to dedicate disposable income to this end. In my view it was therefore not inappropriate for Prudential to recommend this policy to provide protection for Mrs N's son in the event of her death.

With regard to Prudential providing advice to Mrs N while she was grieving, whilst I appreciate Mrs N's distressing circumstances at the time of sale, it could reasonably be said that the recent events had placed her son in a position of increased financial vulnerability. In my view this was therefore a particularly appropriate time for Prudential to be providing this recommendation and for Mrs N to be taking out this cover. I also note that it was open to Mrs N to cancel the term assurance at any point during its 13 year term should she have felt it was not appropriate for her needs.

As a result of the above it wouldn't be fair or reasonable to direct Prudential to pay compensation to Mrs N in relation to the sale of this term assurance policy.

my final decision

My final decision is that I do not uphold the complaint and I make no award.

Helen McKenna
ombudsman