

complaint

Mr and Mrs B complain that a life assurance policy was mis-sold to them by Legal & General Assurance Society Limited.

background

Mr and Mrs B took out a joint mortgage with Legal & General in 1987 (at that time they were not married). It was an interest only mortgage and Mr and Mrs B each had an endowment policy with which to repay their share of the mortgage. They each took out a life assurance policy with Legal & General for half of the amount of the mortgage. An additional life assurance policy was taken out on Mrs B's life – also for half of the amount of the mortgage - the benefits of which were payable to Mr B. Mr and Mrs B complained to Legal & General in 2012 that the additional policy had been mis-sold to them. They were not satisfied with Legal & General's response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that the additional policy had not been mis-sold to Mr and Mrs B.

Mr and Mrs B say that Legal & General told Mrs B that she needed the additional policy and that there was no meaningful discussion about any needs or requirements that she may have had. They say that the policy was not needed by Mrs B and that it was mis-sold to her.

my findings

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

Mr B had a life assurance policy for half of the amount of the mortgage and Mrs B also had a life assurance policy for half of the amount of the mortgage. A third life assurance policy was taken out on the life of Mrs B but the benefits payable under that policy were to be paid to Mr B. Legal & General says that this was so that the whole mortgage would be repaid in the event of Mrs B's death. There was no equivalent policy taken out on the life of Mr B with benefits payable to Mrs B but there could be a number of different reasons for that.

The mortgage and life assurance policies were taken out in 1987 and copies of the life assurance application forms have been provided by Legal & General. The policy about which Mr and Mrs B complain was signed in three places by Mrs B (under the declaration, to authorise the direct debit and to agree that the benefits under the policy be paid to Mr B). It was also signed by Mr B to request that the policy be taken out. The monthly premiums for all three policies have been paid by Mr and Mrs B and the payments would have appeared on their bank statements.

On the basis of the above, I consider that it is more likely than not that the additional policy was either required by Legal & General or was requested by Mr and Mrs B. Had that not been the case I consider that Mr and Mrs B would have asked questions about the policies – and particularly about the additional policy - before signing the applications or would not have signed them. I do not consider it to be likely that Mr and Mrs B would have signed an application for a policy that was not either required by Legal & General or requested by them, particularly given the wording of the application form at the points that they signed.

I am not persuaded that there is enough evidence to show that the additional policy was mis-sold to Mr and Mrs B. I therefore do not consider that it would be fair and reasonable for me to require Legal & General to refund the premiums that have been paid under the additional policy to Mr and Mrs B.

my final decision

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

Jarrold Hastings
ombudsman