Financial Ombudsman Service

complaint

Ms S is being represented by a claims management company. She's complaining about ReAssure Limited because she says she was mis-sold an endowment savings plan. Her representative says the policy was unsuitable, particularly because she didn't need the life cover it provided and didn't need a policy with such a long term.

background

Ms S took her policy in 1993 and it was set up with an initial term of 10 years. Ms S eventually cashed it in 2013.

Our adjudicator didn't recommend the complaint be upheld. He felt the policy was suitable for Ms S. Her representative disagreed, saying it had high charges and life cover she didn't need.

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 agree with the adjudicator's conclusions for much the same reasons. I'm not upholding this complaint.

Ms S received advice and the adviser had a responsibility to make sure any recommendation was suitable for her needs.

There doesn't seem to be any dispute Ms S wanted to save and the policy was consistent with that aim. I've seen nothing to suggest she wasn't willing to save for the long term and I note she kept the policy for 20 years. If this hadn't been what she wanted, or the fact she was saving into the plan left her short of money for more immediate needs, I would have expected her to have complained sooner.

The policy did have an element of life cover, but its inclusion meant the final payout was free of any further tax. The amount of cover was low and given Mrs S's age when the policy started, would have been relatively cheap. I don't think this cost had a significant effect on the return. And I don't think I could reasonably say the other charges were excessive either given the policy returned significantly more than the total premiums paid.

With the benefit of hindsight, it's easy now to say Ms S would have got a better return if she'd done something else instead. But taking all of the above points into account, I think the policy was a reasonable recommendation at the time and I don't think there's enough evidence to show it was mis-sold.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 5 February 2016.

Jim Biles
ombudsman