

complaint

Mr and Mrs B complain that a predecessor company of The Royal Bank of Scotland Group Independent Financial Services Limited (RBS) mis-sold them a term assurance policy in 1989, saying this was a condition of their mortgage.

background

The background and circumstances of this complaint are set out within my provisional decision of 10 February 2015. A copy of this is attached and forms part of this decision.

RBS reiterated that it was not responsible for any conditions which might have been applied by Mr and Mrs B's mortgage lender, and believes this complaint should have been dismissed. But it accepted my decision to reject the complaint on its merits.

Mr B didn't agree with my decision.

He said he had sufficient insurance cover at the time, and didn't need this policy.

He was also unhappy with the way the various businesses and this service dealt with his complaint. He'd been given contradictory advice about whom to complaint to, and then been told the business responsible wasn't regulated at the time and, in any case, there was no information available.

my findings

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

I fully understand Mr and Mrs B's frustration with the time and effort it has taken to reach this point. I also acknowledge we at this service have found it difficult to get to the bottom of which business was responsible for the advice, whether they were a 'regulated business' at the time and if we were entitled to consider this complaint.

But, as I explained, in my provisional decision, I do not believe there is sufficient evidence to justify upholding their complaint.

I cannot be sure whether their mortgage provider made insurance protection a condition of their loan, although this was commonly the case at the time.

I note Mr B says he had protection through his employer and via a pension plan and investment bonds. I cannot say definitively whether these would have been sufficient to meet his lender's protection requirements, assuming they insisted on mortgage cover.

But it is highly unlikely it would have accepted his employer's cover as this couldn't be guaranteed to last throughout the period of his loan. If a provider insisted on cover, it usually required any policy to match the size and term of the mortgage itself.

Overall, there is simply not enough evidence to safely conclude Mr and Mrs B's lender did not require them to take out cover and yet RBS, for some reason, claimed this was the case – and therefore misled them into purchasing a policy they didn't want.

my decision

I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 11 April 2016.

Tony Moss
ombudsman

provisional decision

complaint

Mr and Mrs B complain that a predecessor company of The Royal Bank of Scotland Group Independent Financial Services Limited (RBS) mis-sold them a term assurance policy in 1989, saying this was a condition of their mortgage.

background

Mr and Mrs B originally complained to two other businesses about this policy, and then sought this service's advice as to which business was now responsible for the advice given at the time.

An adjudicator at this service concluded that Natwest Insurance Services Ltd (NWIS), at the time an independent financial advisor, had been the selling agent, and that RBS had subsequently acquired it.

RBS confirmed it had acquired at least parts of NWIS, but said as it wasn't regulated at the time of sale. It was therefore not within our jurisdiction to consider this complaint.

Having checked the relevant business database, the adjudicator agreed with this view. She concluded this was not a complaint we were entitled to consider.

Mr and Mrs B didn't agree, and so this complaint has been brought to me for review.

my provisional findings

I've considered all the available evidence to see if this is a complaint we can consider.

Based on the very limited and sketchy information available, I cannot be certain of the status of NWIS at the time and the extent to which RBS might be now responsible for its advice back then.

So in order to resolve this complaint I have considered all the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've read so far, I do not believe there is sufficient evidence to consider upholding this complaint.

Firstly, it was common practice for banks and building societies to insist on insurance cover as part of any mortgage offer. That said, I've seen no evidence as to whether this was true in Mr and Mrs B's case. Secondly, and perhaps understandably given the passage of time, there is no concrete evidence about what was said in the meeting with the advisor.

I don't doubt Mr and Mrs B's recollection but in the absence of any supporting evidence, I don't think it's possible to fairly or reasonably conclude that RBS, or its predecessor, did anything wrong.

Mr and Mrs B had taken on a mortgage and had no existing insurance protection to cover this liability, and the term assurance policy seems to have been suitable for their circumstances.

my provisional decision

For this reason, I do not intend to uphold this complaint.

Tony Moss
ombudsman