

complaint

Mrs S has complained, through a claims management company (CMC), about a whole of life and critical illness protection policy that she took out following advice from Abbey Life Assurance Company Limited. She has said she only wanted critical illness protection so has been paying unnecessarily for the life cover that was attached.

background

Mrs S took out the whole of life and critical illness policy in March 1989. The initial sum assured policy on the policy was just under £15,000 with a premium of around £12 per month.

The complaint was assessed by one of our investigators who felt it couldn't be upheld. He carried out some research and found that the critical illness cover Mrs S required was only available as an add-on to life cover at that point in time. He acknowledged that some standalone policies were available later on in 1989 but if any were available in March 1989 they would have been very expensive and from only a limited amount of providers.

The CMC didn't agree with the assessment. It disagreed that limited standalone critical illness policies were available in 1989. It also referred to a different complaint we had dealt with in the Service where it felt the circumstances were similar and the complaint was upheld.

As no agreement could be reached the complaint has been passed to me to review.

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 don't think the complaint can be upheld.

Firstly the CMC knows very well that each case is considered on its own merits so while it has referenced another complaint, in making my decision I need to consider the individual circumstances of this case alone.

Information from the sale of the policy is limited; however a *personal financial analysis* document was completed at the time of the sale, very likely in conjunction with Mrs S. This collated the personal and financial details of Mrs S along with her needs and objectives.

Mrs S has indicated in this document that her priority was *protection against long term illness*. This was also reiterated again in the *comments* section of the document where it was recorded that she wanted to provide *protection in the event of a major illness*.

Given this I am satisfied that Mrs S's priority at the time was to take critical illness cover only.

On first sight a whole of life policy containing critical illness cover does seem to be unsuitable. Why would a consumer need to pay for life cover if all they wanted was critical illness protection? However, like the investigator I have researched what types of policy were available in 1989 and whether standalone critical illness policies were available.

From everything I have seen that provides this information from that time, I am satisfied that in March 1989 critical illness protection (or dread disease cover as it was known then) was only available as an additional part of a policy that provided life protection. The information I have seen does indicate that around four months later this started to change and a limited amount of standalone critical illness policies did start to become available, but this was only through a very small amount of providers. As this was the case, it's also very likely that these standalone policies would have been very expensive, possibly out of Mrs S' price range.

Given this information, when Mrs S took her whole of life and critical illness cover in March 1989 I am satisfied that stand alone critical illness policies were not available or at the very least if they were they were rare. So as she wanted critical illness cover it seems one of the only ways this could happen was for the critical illness cover to be provided as part of a policy which also provided life protection. I accept she could have taken this with an endowment protection plan rather than a whole of life plan but the role of this Service isn't to look for the *best* advice possible; it is to assess whether the advice and recommendation provided was suitable. And in this situation given the time the policy was taken I think taking the whole of life policy which also provided the critical illness protection Mrs S wanted was a suitable way of meeting her specific objectives. Overall there was little else she could do if she wanted the critical illness protection at that time.

my final decision

My final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 March 2019.

Ayshea Khan
ombudsman