

complaint

Mr and Mrs B complain that a term assurance policy was mis-sold to them by National Westminster Bank Plc.

background

Mr and Mrs B applied to NatWest for a mortgage in 2001 and they also took out a life assurance policy. They redeemed the mortgage later that year as they obtained a more competitive mortgage offer from a different provider. They did not cancel the life assurance policy and the premiums were collected by direct debit until 2011 when Mr and Mrs B found out that they were still paying the premiums. They complained to NatWest – initially that a payment protection policy had been mis-sold to them but then - that the life assurance policy had been mis-sold to them. They were not satisfied with NatWest's response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that Mr and Mrs B's term assurance policy was sold to them on a non-advised basis so NatWest cannot be held responsible for any mis-selling because it did not directly recommend the policy to them. He also concluded that NatWest was not required to recommend to Mr and Mrs B that they cancel the policy.

Mr and Mrs B say that the mortgage was not competitive so they approached a different provider which did not require a term assurance policy. They say that the policy was of no benefit to them and that they were not provided with details of the policy but that NatWest used a strong sales driven approach to sell them the policy. They also say that they forgot to cancel the policy and only noticed the direct debit for the premiums when it was brought to their attention when they visited a NatWest branch.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Although NatWest was not the company that sold the policy to Mr and Mrs B at that time, it is the correct company to which a complaint about the policy should be made and when I refer to NatWest in this decision, I am including the company which sold the policy to Mr and Mrs B. Mr and Mrs B initially complained to NatWest that a payment protection insurance policy had been mis-sold to them but it is my understanding that their complaint is now that the life assurance policy was mis-sold to them.

NatWest wrote to Mr and Mrs B in February 2001 about the life assurance policy. That letter said:

"Please find enclosed your personal illustration, life assurance application form and product information.

I confirm you have stated that you do not require advice, nor has any recommendation been made."

I am satisfied that information about the policy was provided to Mr and Mrs B and that it was clear that NatWest was not advising them about life assurance or recommending the policy to them.

Mr and Mrs B did not cancel the life assurance policy when they redeemed their mortgage and I do not consider that NatWest was required to contact them at that time to recommend that they cancel the policy. I do not consider it to be likely that NatWest would have known that life assurance cover was not a condition of the mortgage that Mr and Mrs B obtained from a different provider. I consider that it was Mr and Mrs B's responsibility to cancel the policy if they no longer wanted it. They continued to pay the premiums for the policy by direct debit. Those direct debits would have appeared on their bank statements.

I am not persuaded that there is enough evidence to show that the policy was mis-sold to Mr and Mrs B by NatWest or that it has dealt with their policy incorrectly. I therefore do not consider that it would be fair or reasonable for me to require NatWest to refund any premiums to Mr and Mrs B or to pay them any compensation.

my final decision

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

Jarrold Hastings
ombudsman