complaint

Mr S complains he was mis-sold a term assurance policy by The Prudential Assurance Company Limited as he thought he was getting a pension policy that would last for the whole of his life.

background

Prudential did not uphold the complaint. It said the normal sales process would have included confirmation the policy was for a fixed term and not for Mr S's life. And the documentation he received shortly after the policy was arranged would have confirmed the term.

Mr S didn't agree with Prudential and referred the matter to us. He said he thought he had taken out a pension policy. One of our adjudicators considered the complaint but did not uphold it. She said the name "Personal Pension Scheme" given to the policy could have given Mr S the impression he had bought a pension plan.

But she said the application documents showed his main priority was family protection. The term of the policy was appropriate for this as it lasted until his youngest child reached 21. The documents he would have received would have explained this was a pension term assurance. And that this was a form of life cover which provided tax benefits.

The adjudicator also said the documents showed Mr S was not interested in retirement planning. So a pension would not have been suitable for him at the time and there was no reason for the adviser to recommend one.

Mr S did not agree with the adjudicator so the matter has been referred to me for review.

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 S took out a term assurance policy with Prudential in 1995 after he met with an adviser. The policy was for 20 years and the sum assured was £20,000. But Mr S said he thought he took out a pension. I understand why Mr S might be confused about this now as the policy is called a 'Personal Pension Scheme' and can be taken out as a pension. But it is also used to provide just life cover which is what Mr S has.

The personal financial review carried out by the adviser recorded what Mr S was interested in discussing. This identified Mr S wanted to discuss life cover and savings for his children. But he was not interested in retirement planning.

The adviser's recommendations are set out in the 'Reasons Why' part of the review. Under life cover the adviser had recorded Mr S has inadequate existing life cover. He had calculated this at about £60,000 but noted that due to financial restrictions Mr S wanted to take out a policy for £20,000. The adviser also confirmed the term as 20 years.

Under 'Pensions' there is a box ticked indicating Mr S was not interested in discussing this at the time.

Mr S signed the review to confirm he understood and agreed with what the adviser had set out in the 'Reasons Why' part of the review. And the application for the policy signed by Mr S also shows life cover of £20,000 for a 20 year term. So I think he should have been aware he was taking out a life policy for 20 years and not a pension.

Mr S has suggested a policy for 20 years is not something he would have taken out. But his youngest child would have been 21 at the time the policy came to an end. So I think it's likely this is why a term of 20 years was chosen.

It is 20 years since Mr S took out the policy. So I am not surprised his recollection of what was discussed and what he agreed to is different from what the documents show. But I think the term assurance policy was what he wanted and was appropriate based on the information given to the adviser.

my final decision

For the reasons I have set out above I do not uphold the complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 30 October 2015.

Philip Gibbons
ombudsman