

### **complaint**

Mr A considers he was wrongly advised, that it was a compulsory condition of his mortgage to take out a life assurance policy with The Prudential Assurance Company Limited.

### **our initial conclusions**

Our adjudicator concluded the complaint should not be upheld. He found insufficient evidence to support the policy being a condition of the mortgage. He also commented that life assurance was a reasonable recommendation and suitable for Mr A's needs. Mr A disagreed, emphasising the cover was not required, as life cover was provided through his existing employment benefits.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr A and Prudential have provided. Having done so, I have come to the same conclusion as the adjudicator and for much the same reasons.

Whilst I do not doubt Mr A's recollection, I am not persuaded the policy was a condition of the mortgage. The policy was provided by Prudential, yet the mortgage lending was provided through another business. I have seen no evidence to suggest the mortgage provider set a condition for life insurance to be in place. If it had, I could not hold Prudential responsible in any event. Had Mr A considered the policy a condition and been unhappy with that, he could have sought borrowing from an alternative mortgage provider.

Mr A states the policy duplicated cover provided by his employment benefits. I note the policy matched his identified needs, and the amount and term of the mortgage. I am satisfied his employment benefits did not make a dedicated policy unsuitable.

**My final decision is that I do not uphold the complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr A either to accept or reject my decision before 23 July 2014.**

*Ross Hammond*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

Whilst employment benefits can be a valuable source of life cover, the protection can cease upon changing jobs or becoming unemployed. I do not therefore consider them to be a form of long term financial planning suitable of matching the needs of a mortgage.

I further note Mr A has referenced payment protection insurance (PPI) at different stages of this complaint. The term life assurance held in this instance, is intended to provide a very different benefit to PPI. I understand this has been explained to Mr A, and he has been informed that different criteria apply when assessing the sale and suitability of these products.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.