

complaint

Ms E complains the Royal London Guaranteed Lifetime Plan she took out was mis-sold by Santander UK Plc. Ms E says that she informed the business she could only afford £5 per month. However, the plan she purchased actually cost £25.04 per month.

background

Ms E says when she visited her local branch of Santander in 2010 she was asked if she had insurance. She says she told the cashier she hadn't, but she could only afford £5 a month and was told this would be ok. She says the application form was completed by a member of staff and she received some paperwork in the post. Ms E says she didn't look at the documentation she was given due to housing issues and a subsequent family bereavement, which meant she spent some time living overseas. Ms E says while she was abroad she noticed that she was being charged £25.04 but felt she could not call the bank due to the time differences.

In 2015 she complained to the bank. It rejected her complaint and explained that it had not provided financial advice, but had given her information about the policy. It said that the minimum premium was £5, but the premium discussed with Ms E was £25.04 and the application form and policy documents confirm this. Ms E brought her complaint to this service.

The adjudicator who investigated the complaint didn't recommend that it be upheld. He didn't dispute the fact that Ms E told the business she could only afford £5 per month. But the business provided Mr E with enough information that would have informed her that her premiums were in fact £25.04 per month.

The adjudicator sympathised but did not think it was fair and reasonable to hold the business responsible if she chose not to read the documentation it provided in 2010 or did not contact it when she realised the premium was greater than she was prepared to pay. Ms E was not satisfied with the adjudicator's findings and as agreement could not be reached, 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.

I am satisfied that Ms E had wished to spend only £5 a month on insurance. However, it is clear that the amount being proposed was £25.04 and Ms E received confirmation of her premiums and could see that was being taken from her account for some five years before taking action. I appreciate that she has been living abroad for some years and that she suffered a family bereavement around the time the policy was taken out, but I would have expected her to have taken some action before 2015 if she had considered the premiums unaffordable.

It may have been there was some confusion between the member of staff and Ms E as to the amount of the premium, but after it had been confirmed in writing it was open to Ms E to refuse the policy. I appreciate that her circumstances at the time meant she didn't look at her post, but that does not mean the bank is at fault. While I have every sympathy with Ms E I don't consider the bank has done anything wrong in this matter.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms E to accept or reject my decision before 2 November 2015.

Ivor Graham
ombudsman