## complaint

Ms W complains about a term assurance policy held with The Prudential Assurance Company Limited ("Prudential").

She says the policy was mis-sold as it wasn't explained that the policy was for a specific term and she thought it was for whole-of-life.

## background

The adjudicator who looked into the complaint thought it should be upheld.

She agreed with Prudential that Ms W was made aware the policy was not whole-of-life, but didn't feel the policy was suitable in the circumstances. It was recorded that cover was taken out to protect her 17-year old child.

The adjudicator felt there was no reason for a 20-year term policy, and noted Ms W's child would have likely been financially dependent for around four years. She accepted Prudential offered a minimum five-year term and thought that would have been more appropriate.

Prudential didn't agree. It said as Ms W says she had wanted a whole-of-life policy, she had benefited from the cover of term assurance and a refund wouldn't be appropriate.

As the parties still don't agree, I've now reviewed this complaint.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've taken into account all documents and comments made by both parties. Where documentation is missing, incomplete or contradictory I must decide what I think most likely to have happened.

In this case, I note the adviser recommended cover which was changed when the policy actually started. I can't be sure why this was as it isn't recorded, but I don't believe the changes are central to the complaint.

Ms W now says that she wanted a whole-of-life policy which would protect her until death. Whilst I appreciate that this is something she may now want, there's nothing from the time of sale to suggest this. So I don't think Prudential could reasonably have been expected to recommend a whole-of-life policy.

Importantly I note the policy was not taken to protect a specific debt, but was instead wanted for the benefit of Ms W's child who was 17 years of age. I've seen nothing to satisfy me why a 20-year term was required, nor the 15-year term initially recommended.

I think it reasonable to say that Ms W's child would have been financially dependent until age 21 and so cover would have been needed for four years. But I've noted Prudential didn't offer the same policy with a term of less than five years. And so I think a five-year policy term would have been appropriate.

I understand Prudential has said it believes the 20-year term was suitable. It has supported this by saying Ms W had wanted a longer term and not a shorter one, and also that she benefited from the cover whilst premiums were paid. I don't agree this made the policy sale suitable. If a longer term had been wanted or needed I would reasonably expect to see further reasons explaining why.

In this case, I believe Ms W was led by the adviser's professional opinion, and took a policy that provided more cover than she needed. Overall, I feel if she'd been given advice that reflected her needs, she would have been sold a five-year term policy.

**my final decision**

My final decision is that I uphold the complaint.

I direct The Prudential Assurance Company Limited to put things right by paying Ms W the difference between the premiums she paid for cover, and the cost of an equivalent five-year term assurance. Interest of 8% simple per annum should be applied to the refund from the date each premium was paid, until the date of settlement.

If The Prudential Assurance Company Limited considers it is legally obliged to deduct income tax from the interest paid, it must send a tax deduction certificate with the payment. Ms W may reclaim any tax overpaid from HM Revenue and Customs, if her circumstances permit her to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 18 May 2015.

Ross Hammond
**ombudsman**