

complaint

Mr L has complained about the term assurance policy sold to him by an insurance company which was bought by The Prudential Assurance Company Limited. He believes the policy was mis-sold because he says he was told it would acquire a surrender value and/or could be converted to a different type of policy - neither of which transpired to be correct.

background

Mr L took out the policy in 1987. Because of the length of time which has passed since then there is very little information. However, from what has been provided it can be seen that the policy was a flexipension term assurance policy which protected Mr L's life until he turned 65 years old. The application form confirms that it was term assurance policy and that the policy would provide Mr L cover with a sum assured of about £50,000 until the age of 65 years. It also confirmed the premium was nearly £17 per month. The accompanying letter and policy schedule also confirms these details as well as the start date as being 1 July 1987.

The policy reached its term in July 2016 and Prudential wrote to Mr L informing of him that the policy would soon expire after which there would be no further value.

In investigating his complaint Prudential found that the policy wasn't sold by the business it had bought but was sold to Mr L by an independent financial adviser (IFA). Because of this Prudential wasn't able to look into his complaint. It did however offer an amount of money in recognition of the fact that when Mr L initially complained about this policy he was given inaccurate information by a Prudential member of staff whom he spoke to on the telephone.

As Mr L didn't accept this he brought the complaint to his Service where an adjudicator who investigated the matter also felt the complaint couldn't be upheld. He was of the view that Prudential couldn't be held responsible for the sale of the policy because the evidence suggested that Prudential was not the initial provider of the advice.

Mr L didn't agree with the assessment and remained of the view that the policy was sold by the business Prudential had bought and so ultimately Prudential wasn't responsible for the advice he received.

As an agreement couldn't be reached, the complaint has been referred to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusion as the adjudicator and for broadly the same reasons.

Mr L has complained about the sale of the policy and how he believes he was told the policy would effectively be a convertible one and one which would provide him with a surrender value. So because his complaint is about the actual sale and what may have been discussed during the sales meeting the actions of only the business actually doing the selling can be investigated. Investigating the actions of any other business which may have been involved, for instance just providing the insurance cover would be inappropriate.

The evidence from Prudential is, in my view, highly persuasive that the business it bought didn't provide advice to Mr L on whether he should take out the policy or in fact conduct any sales type interview.

Firstly the front sheet attached to the application form has the IFA's name on it as the agent involved in the selling process. Also Prudential has confirmed that at the time of sale in 1987 the business it bought didn't have a sales force in place and therefore couldn't provide any advice regarding the policy.

It has however confirmed that the business it bought did provide the policy.

Mr L has also confirmed that he was told by a specific (named) individual from the IFA that the provider of this policy was the best at that time and was one of largest insurance companies around.

So based on all of this I think it's more likely than not that the advice whether to take out the policy and any discussions surrounding the sale of it were carried out by the IFA rather than the business Prudential bought (the policy provider).

So in conclusion given everything I have seen there isn't enough for me to be able to safely conclude that the term assurance policy was sold to Mr L by the business Prudential bought. It seems more likely to me that it was sold to him by the IFA in question and therefore Prudential can't be held responsible for any issues surrounding the sale of this policy.

my final decision

My final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 August 2016.

Ayshea Khan
ombudsman