

Complaint

Mrs F complains on behalf of Mrs O about the sale of a pension term assurance policy by Santander UK Plc. Mrs O believed the policy included critical illness cover but when she sought to make a claim she was told that this wasn't so.

background

When Mrs O complained to Santander it did not uphold her complaint about this issue but did recognise she should have been sold decreasing term, rather than level term assurance and offered appropriate compensation for this mistake.

Mrs O didn't accept this offer and brought her complaint to this service.

An adjudicator didn't feel the complaint should be upheld. He found no reference to critical illness cover in the documentation provided at the time. He considered that the paperwork clearly explained the type of cover she was buying, and that if she'd wanted additional illness cover she should've pursued this issue with the advisor.

He noted that Santander's final response letter to Mrs O referred to a critical illness need identified at the time of sale. Upon further investigation he was satisfied by Santander's explanation that this was a processing error when it produced this final response letter on the wrong template.

He felt this must have caused Mrs O extra worry and anxiety, and believed Santander should pay her £400 compensation. It agreed.

Mrs F on behalf of Mrs O asked for the case to be reviewed by an ombudsman, saying that Santander's mistakes has caused considerable extra distress during a very difficult time.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. And I have come to the same conclusions as the adjudicator and for mainly the same reasons.

While I don't doubt Mrs O's recollection of the original meeting, I've not seen sufficient evidence to allow me to safely conclude that Santander suggested that this policy included critical illness.

Santander says it didn't have a critical illness option available on this policy. It also said that if Mrs O had suggested she wanted a specific policy to cover this eventuality, she would've had to fill out a medical declaration. It hadn't found any documentation to this effect.

I acknowledge how difficult and stressful this whole complaints process must have been for Mrs O and her sister. But I feel that Santander's only recognisable mistake in dealing with this matter was using the wrong template in its final response letter.

I therefore support the adjudicator's recommendation about what level of compensation is fair and reasonable.

my final decision

For these reasons, I do not uphold the complaint about the issue of critical illness cover.

But I do uphold the complaint about the handling of the complaint.

Accordingly, I instruct Santander UK Plc to pay Mrs O £400 for the stress and anxiety caused by its final response letter.

I note Santander has already offered Mrs O compensation for its inappropriate recommendation to take out level term, rather than decreasing term assurance. As this issue has not been considered by this service, I leave it up to Mrs O to decide whether to accept this offer.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs O to accept or reject my decision before 4 September 2015.

Tony Moss
ombudsman