

## **complaint**

Mr H has complained about two plans sold by Canada Life Limited in 1985. As well as a whole of life (WOL) plan, he was sold an additional convertible term assurance plan. He said he didn't need the cover as his wife was an equal partner in his business and could carry on running it in his absence. He also believed the advice received to convert the term assurance plan to a whole of life product in 1993 was unsuitable. He didn't require cover for the benefit of his family at that time. He said there was deceit passing off of his signature on the conversion application form.

## **background**

The adjudicator didn't uphold the complaint. In summary, he didn't consider he could reasonably conclude that either plan was necessarily unsuitable for Mr H at the times of advice.

Mr H didn't agree with the adjudicator. He accepted it would be difficult to uphold the 1985 sale given the time that has since passed. However, he felt he only needed protection until his retirement which was less than five years away in 1993. He maintained the advisor didn't obtain his authority before proceeding with the plan replacement in 1993 which indicates that his objectives were not discussed.

The business had no further comments to make.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I find that I agree with the conclusions reached by the adjudicator, and for essentially the same reasons.

### *the original policies*

The original policies were sold in 1985. Mr H said he had no need for cover as his wife was an equal partner in his business and could carry on running it in his absence. There is no documentation in respect of the 1985 sale – this is because the business destroyed it six years after the term policy was converted in 1993. Mr H doesn't have any paperwork so it is very difficult to draw any conclusions about the sale of these. After our adjudicator's opinion, Mr H accepted the 1985 sale couldn't be considered given the time that has since passed.

### *suitability of the whole of life policy*

In 1993 Mr H converted the term assurance plan into a whole of life plan. Mr H says he shouldn't have been sold this product due to affordability in retirement and rising premiums, and from the outset the WOL premium was greater than the term assurance policy premium. Mr H believes the advice he received was unsuitable because he did not require cover for the benefit of his family at that time.

However, the policy replacement questionnaire records a discussion about what would happen when Mr H stopped work. The note says "when he stops work and no longer requires the life cover he will pass it to the children". It is true that Mr H did not sign the policy replacement questionnaire, but his wife did. I have no reason, other than Mr H's assertion, to believe it was not a true record of the discussion.

The product document which was sent to Mr H contained details of his right to cancel. He said he carried on with the policy for fear of losing the money paid in. This is a familiar dilemma for people with long term policies. However, if Mr H had only intended to ensure his life was covered up to his retirement he could have cancelled the policy when he retired. But Mr H chose not to do this and continued to pay the premiums. I also note that although he surrendered the policy in 2004 he did not make a complaint until 2014.

*authority for the policy conversion*

Mr H said his signature wasn't on the conversion application form. So the advisor didn't obtain his authority before proceeding with the plan replacement in 1993. He didn't sign the adviser's note of his requirements but his wife did.

Canada Life accepts it made a mistake in not ensuring that Mr H signed the policy replacement questionnaire. But it notes this failure doesn't affect the legality of the contract. It states "the legal contract is made up of the application form and the policy document". The policy document which Mr H would have received states "The application for the Policy, any medical form, any written statements and answers given as evidence of insurability and the Policy shall constitute the entire contract". Mr H signed the application form and gave consent to obtain his medical records. From this I think it's reasonable to conclude the business is right in stating the policy was correctly started.

*objectives were not discussed*

Mr H says as he didn't sign the form this indicates that his objectives weren't discussed. Mr H says "the Questionnaire was completed by (the Financial Adviser) alone from his own thoughts on what he considered my circumstances and objectives were or should be".

But this is at odds with the contents of the personal financial review completed at around the same time. In November 1993 a personal financial review was undertaken for Mr and Mrs H by an advisor from Canada Life. Their personal details, assets and mortgage payments were noted. Their existing life and pensions policies were also listed. The adviser noted Mr H wanted to exercise his option to convert an existing policy to a whole of life policy. The note says that a further policy would be surrendered and the surrender value paid into his pension. The actions section of the note records Mr H "has now decided that with the increase in premiums coming closer now is the time to act". Both Mr and Mrs H signed the declaration at the end of the form. From this I conclude Mr H was aware of the terms of the new policy and had discussed what would be happening if the original policy was retained.

In summary I conclude the policy was set up correctly, Mr H was provided with details of how to cancel if he felt the policy wasn't suitable and the policy appears suitable for his declared priorities. As a result I do not uphold his complaint.

**my final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 6 November 2015.

Sue Rossiter  
**ombudsman**