

## **complaint**

Ms B has complained via a complaints management company ("CMC") about advice from Sun Life Assurance Company of Canada U.K. Limited ("Sun Life") to take out a whole-of-life policy. The policy was taken to provide flexible protection for her children in the event of her death, with an investment element.

The CMC has said the policy was unsuitable and the investment element was too risky for Mrs B.

## **background**

The adjudicator who investigated the complaint felt it shouldn't be upheld. He said the policy seemed a suitable recommendation based upon Mrs B's situation at the time.

He noted Ms B had made a subsequent complaint, which related to the value of the policy after 10 years and not being able to take a withdrawal from it. As a result he felt Ms B was aware of how the policy worked and was unable to agree a term assurance policy would have been more suitable.

The CMC disagreed. It made reference to a similar case which was upheld by an ombudsman to support Ms B's complaint.

The adjudicator was not persuaded to change his opinion and so the case has now been passed for review by an ombudsman.

## **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've reached much the same conclusions as the adjudicator, and for much the same reasons.

When Ms B met with the adviser in 1991 for a financial review, her priority was to receive advice about family protection. She had two young children who were dependent upon her and she had a modest income and savings.

It's recorded Ms B was willing and able to afford £20 per month for cover. As she wanted the life cover for general family protection and not to protect a specific debt, there wasn't a particular sum assured that she had wanted. Instead, the amount of cover was driven by the premiums Ms B could afford.

I note the CMC has said there was no reason for a whole-of-life policy being recommended to meet Ms B's needs. Whilst I understand why it says this, I don't believe a term assurance for a fixed period of time would have met her overall requirements.

It was recorded that Ms B had wanted to ensure cover was in place until her youngest child was 18 years old. A term assurance to run for a period to match would have been appropriate on the face of it. But I note it was also recorded that Ms B has wanted to try and build up a possible future value from the premiums she was paying.

The policy was affordable as the premiums were at a level set by Ms B, and it provided the life cover she wanted. The fact find document completed at the time of sale shows there

was an investment element and how the premium payments were split. In fact, she signed her initials to acknowledge this point, and so I can't say she was unaware of how the policy worked.

A term assurance policy wouldn't have offered the possibility to build up any value in the policy. It's clear she had wanted to make withdrawals and have an investment element – as that was central to her complaint against Sun Life in 2001. But in any event, as the cover was driven by her budget, I feel it likely she would have paid the same amount for a term assurance and just had higher cover.

The policy gave Ms B some degree of flexibility. She was aware it was subject to reviews and meant she could either pay more to keep the sum assured, or pay the same by reducing her cover.

The policy also offered the benefit of annual increases to the cover. As the life cover was intended for family protection, the policy could keep in line with the cost of inflation over time. I feel this is an entirely reasonable approach.

I'm aware Ms B had surrendered the policy to take its value in 2008, and then indicated she would rather re-instate the policy and benefit from cover. This also suggests she understood how the policy worked and what benefits it offered.

As the investment element was a secondary priority behind life cover, I don't think it was too risky for Ms B. It enabled her to maintain the life cover she wanted and I'm satisfied the policy documents clearly set out how the policy would operate.

Overall, I don't feel it would be fair and reasonable to uphold the complaint now. Whilst a term assurance may have provided cheaper life cover, I'm satisfied Ms B had wanted the ability to invest in part. She kept the policy for 17 years and it provided family protection for the benefit of her children. But when she ultimately surrendered the policy in 2008, she received a final value.

### **my final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 9 November 2015.

Ross Hammond  
**ombudsman**