

complaint

Mr Q's complaint about The Prudential Assurance Company Limited ("Prudential") concerns the sale of a term life insurance policy alongside his mortgage in 1994. He says the policy was not required as he was single with no dependents.

background

Our adjudicator recommended the complaint be upheld. In the absence of sufficient evidence to show life cover was a requirement of the loan or any other documentation from the time of sale to support the advice, she concluded the complaint should be upheld.

Prudential disagreed, saying it had contacted Mr Q's mortgage lender who said it was '*more likely than not*' that life cover would have been a '*preferred requirement*' alongside Mr Q's mortgage. It also referred to a questionnaire Mr Q completed in connection with another complaint stating that he had a partner at the time of sale and said that he later went on to get married.

my findings

To decide what is fair and reasonable in this complaint, I have carefully considered everything Mr Q and Prudential have provided. Having done so, I agree with the adjudicator's conclusions for much the same reasons.

After considering the information provided, I do not believe there is sufficient evidence to show life cover was a requirement of Mr Q's mortgage. I note the response Prudential received from the lender, but this certainly does not indicate that life cover would definitely have been required. I am also conscious that Mr Q has provided a copy of his actual loan agreement and this makes no mention of the need to have appropriate life cover.

Prudential says the policy was arranged following discussions with one of its advisers, but it has unfortunately not been able to trace any documentation from the time to support the recommendation. Mr Q says he did not need additional life cover as he already had death-in-service benefits through his employer and a pension fund that would also pay out on his death. There has been some confusion about whether Mr Q had a partner at the time of sale, but I do note the mortgage agreement appears to have been in his sole name. The fact that he may have got married at a later date is not particularly relevant to his requirements at the time of sale in my view.

Taking everything into account, and in the absence of any evidence from the time of sale to justify the advice, I believe Mr Q provides a persuasive argument for saying he had no need for additional life cover.

my final decision

My final decision is that I uphold this complaint.

I direct The Prudential Assurance Company Limited to refund each policy premium paid plus simple interest at 8% per year from the date each premium was paid until the date compensation is paid.

If Prudential considers it is legally obliged to deduct income tax from the interest, it must provide Mr Q with a tax deduction certificate so he can reclaim any overpaid tax from HM Revenue and Customs if he is eligible to do so.

Jim Biles
ombudsman