

complaint

Mr F complains that he was mis-sold insurance by Sesame Limited.

background

Mr F was sold an income protection policy by Sesame. He said the policy was mis-sold because he was told it was compulsory to have alongside his mortgage back in 2001. He said the policy wasn't needed because he always had income protection provided by his employers throughout that time. This was an advised sale. Mr F would like his premiums returned.

Sesame said the policy wasn't mis-sold because it suited Mr F's needs at the time. It also said it wasn't compulsory, rather, it was a recommendation.

Our investigator didn't uphold this complaint. She said the sales documentation at the time made it clear that the policy wasn't a requirement for taking the mortgage. But Mr F disagreed. He highlighted the treating customers fairly principles and said that Sesame failed to adhere to its obligations under the rules. He also said that Sesame breached the relevant industry rules at the time – MCOBS

And so, it's for me to make a final decision.

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 decided not to uphold this complaint. My reasons for doing so are similar to those already explained by our investigator. Put simply, there's no persuasive evidence to support Mr F's arguments about the policy being a pre-requisite for the new mortgage he took in 2000. I'll explain why.

I've reviewed the sales literature that supported the alleged mis-sale, however, there's nothing to say that this policy was compulsory. Instead, the evidence says;

"I therefore recommend that you effect an Income protection plan"

I'm satisfied, based on the evidence available, that the income protection plan was a recommendation, rather than a compulsory product that runs alongside Mr F's new mortgage. I'm further persuaded because there are other policies that were made obligatory and these were clearly stated within the same sales literature. And so, I think it's unlikely that Mr F was told he had to take income protection.

I accept Mr F's arguments that he may have had other income protection policies provided by his respective employers, but I've not seen any evidence to support that he already had an income protection policy at that time. I've seen evidence that shows he had policies post-sale. I also think it's most likely he's had other income protection policies throughout the years that followed given his occupation. But I don't think it's relevant to this complaint because that happened after the initial sale of his mortgage and this policy. I'm satisfied the

advice given was suitable at the time considering the demands and needs statement and other various sales literature I've seen.

Because of my findings, I don't see any benefit in commenting on Mr F's other arguments about Sesame breaching the TCF principles and the alleged breach of MCOBS rules – simply because I don't think this policy was mis-sold. It's clear the policy was a recommendation and that Mr F opted to take it. I can't say precisely what happened back in 2000 as I wasn't present at the time of sale. However, the evidence from that time persuades me that this was most likely the case because it distinguished between the policies that were compulsory and those that were recommended. The income protection policy was a recommendation and so I don't uphold Mr F's complaint for those reasons.

my final decision

I don't uphold this complaint for the reasons I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 13 October 2021.

Scott Slade
ombudsman