

complaint

Mr and Mrs A complain about the sale of a mortgage endowment policy provided by the Prudential Assurance Company Limited. They say the policy was miss-old to them. They also say that the sale of the policy was based on misleading information and that as a result the selling business had been misled into making an unsuitable sale.

background

When the complaint was first made Prudential said that the policy was sold by another business. Therefore, it said, any complaint about the sale should be made to that business. It also did not uphold the second part of the complaint. The business said it could find nothing misleading in the policy or any other documentation.

Unhappy with that Mr and Mrs A brought their complaint to us. One of our adjudicators looked at the file but agreed with the business. After making some further comments Mr and Mrs A have asked that an ombudsman review their complaint. I have been asked to make a 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 do not uphold this complaint. I understand this will disappoint Mr and Mrs A. I will now explain why I have come to that conclusion.

The first part of the complaint I think Mr and Mrs A now understand cannot be made to this business. On the evidence the advice to take out this policy was given by another business, which is responsible for the sale. It was responsible for ensuring the policy was suitable and that Mr and Mrs A understood what they were doing.

The main part of the complaint is that the literature issued by this business was mis-leading. So misleading in fact that it misled both the selling business and Mr and Mrs A. the argument made by Mr and Mrs A is that if the literature had not been misleading then the selling business would not have sold it and Mr and Mrs A would not have bought it.

I can find nothing misleading in what I have seen. The policy schedule is much as I would expect as is all the other supporting documentation from the time. These policies were performing exceptionally well at the time of the sale. They were maturing with substantial tax free surpluses. Any statements made and documents issued were very likely to be very positive about what could happen. There was no reason to believe the good returns would reduce in the foreseeable future.

The note to which Mr and Mrs A refer (Note 3) explains what will happen. It explains that *if* the rates of return set out in the illustration are met then the policy will indeed reach the value of the mortgage with possibly a surplus. It also says however that if those returns are not achieved then the value of the policy will depend on unit values at the time of maturity. I can find nothing misleading about that. It does not say that Mr and Mrs A are guaranteed the target value of the policy. I can find nothing to support such a conclusion.

If Mr and Mrs A feel the advisor overstated or grossly exaggerated the likelihood of the returns being made they must take that up with the advisor concerned.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 20 October 2016.

Mike Boyall
ombudsman