

## **complaint**

Mrs L complained that Decidebloom Limited (trading as Stoneacre) sold her a single premium life insurance policy.

## **background**

In 2007, Mrs L took a loan to buy a car. At the same time, she also bought a life insurance policy. The loan and policy both ran for five years.

Our adjudicator thought that this complaint should be upheld. He didn't think that Stoneacre had made a suitable recommendation to Mrs L. Stoneacre disagreed and asked for an ombudsman's 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. We've set out our general approach to complaints about the sale of PPI on our website and I've taken this into account in deciding Mrs L's complaint.

For the reasons below, I've decided to uphold Mrs L's complaint.

Stoneacre said that it advised Mrs L to buy the life insurance policy. I've looked at the sale documents it has given us and I agree that it was an advised sale. That means that Stoneacre had to take adequate steps to make sure that the policy was suitable for Mrs L's needs. It also had to give her clear, fair and not misleading information to allow her to make an informed decision about buying the life policy.

Stoneacre said that it had taken adequate steps to ensure that the policy was suitable and had given Mrs L enough information to allow her to decide whether she wanted to buy it. But having looked at all the information we've been given, I disagree.

Mrs L was aged 23 years at the time of sale. She told us that she was living at home, single, with no dependants, no assets and no significant financial commitments. I'm persuaded by what Mrs L has told us about her circumstances at the time of sale. And taking everything into account, I don't think that she had a need for a life policy to cover her loan if she'd died.

So, it follows that I don't think that Stoneacre's recommendation to buy a life insurance policy was a suitable one. The fact that Mrs L has signed to confirm that she agreed to the life insurance does not relieve Stoneacre of its duty to provide her with a suitable recommendation.

### **putting things right**

Mrs L borrowed extra to pay for the life insurance policy, so her loan was bigger than it should've been and she paid more than she should have each month. So Mrs L needs to get back the extra she's paid.

So, Stoneacre should:

- Work out and pay Mrs L the difference between what she paid each month on the loan and what she would've paid each month without the life insurance policy.
- Add simple interest to the extra amount Mrs L paid each month from when she paid it until she gets it back. The rate of interest is 8% a year <sup>†</sup>.

<sup>†</sup> HM Revenue & Customs requires Stoneacre to take off tax from this interest. Stoneacre must give Mrs L a certificate showing how much tax it's taken off if she asks for one.

### **my final decision**

For the reasons above, I uphold this complaint against Decidebloom Limited and require it to pay Mrs L compensation, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 15 February 2016.

Avril O'Meara  
**ombudsman**