

complaint

Mr and Mrs A complain they were mis-sold term assurance policies by The Prudential Assurance Company Limited.

background

Mr and Mrs A met with an advisor from the business in May 1997 to review their financial needs. Mrs A took out a term assurance policy with cover of £30,000 for a term of 18 years. Mr A took out a similar policy, also for 18 years but with cover of £101,100. In 2015 they complained to the business and said they believed they had been sold whole-of-life cover. The business rejected their complaint and said the application form and policy documentation made it clear that they had taken out term policies and the 18 year period coincided with their youngest child attaining 18.

They brought their complaint to this service and said the forms had been filled in mainly by the advisor and questioning his motives. The adjudicator who investigated the complaint didn't recommend that it be upheld. He said that the application forms and the policy documentation clearly showed that both policies were term assurance ones and were to last only 18 years. Although he couldn't say what had been said at the meeting the available evidence showed that the business had not made an error.

Mr and Mrs A didn't agree and said the advisor had completed much of the form and had sold them unsuitable insurance cover.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have seen both the forms signed by Mr and Mrs A and they make clear that the policies applied for were for a term of 18 years. I appreciate that Mr and Mrs A say that these were completed, in the main, by the advisor. However, the policies carried 14 day cancellation rights and it was open to Mr and Mrs A to satisfy themselves that the policies were suitable for their needs and were as agreed.

They have made a number of general assertions about the potential conflict of interest for an advisor who was remunerated on commission, but I have no reason to conclude that the policies were mis-sold. I suspect the advisor would have obtained even greater commission if he had sold them whole-of-life policies with the same level of cover which is what they say they wanted.

I appreciate that Mr and Mrs A will be disappointed with my decision, but I cannot safely conclude that the policies were mis-sold.

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 A to accept or reject my decision before 19 May 2016.

Ivor Graham
ombudsman