

complaint

Ms B complains about a mortgage endowment policy sold to her (and another) in 1992 for which the Prudential Assurance Company Limited is now the product provider. I think it fair to summarise her complaint as being she says the policy was mis-sold.

She says her attitude to risk wasn't properly established and she was told (in effect) that the policy was guaranteed to reach its target value. Also the fees, costs and charges were not properly disclosed or discussed and she was not aware of and wouldn't have accepted the investment strategy of the policy.

background

The business didn't uphold the complaint. In summary it said it could see no good reason why the policy was mis-sold. Ms B's circumstances did not suggest the policy was unsuitable. As regards the other areas of complaint (such as the fees and costs) the documentation from the time disclosed what was then required by the regulator.

Unhappy with that Ms B came to us. One of our adjudicators looked at the file. She didn't think the complaint should be upheld. She thought that Ms B (and her then partner's) circumstances, including the fact that they had experience of such policies; the length of time since the sale, and the situation in 1992 meant that the policy sale was not unsuitable.

Ms B disagreed. She said she wasn't prepared to take any risk with her mortgage. She relied on the expert advice she was given. Had she realised what was being sold she wouldn't have taken the policy out. She asked that an ombudsman review the complaint.

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 that, I don't uphold this complaint. I know this isn't what Ms B wants.

If I uphold a complaint I will issue a decision saying so. If that is accepted by a consumer (the business isn't asked) that decision becomes binding in law with no right of appeal to the courts. It must be a decision I can safely make.

This sale took place a very long time ago. Any evidence (and it is perhaps, surprising there is *any*) will be old, probably incomplete and possibly contradictory. However whatever the state of the evidence I must make a decision. I can't use hindsight in making that decision.

Here, the mortgage was not in my jurisdiction to consider. It was common and accepted practice at the time for lenders to lend on the basis that the mortgage would be repaid using an endowment policy. That was a commercial decision I won't interfere with (especially after so long). These policies were thought very safe and suitable for most. They had performed well and had matured for the kinds of values and bonuses mentioned at the time. They were expected to continue to do well and in many cases did just that.

Ms B and her former partner's circumstances don't suggest to me the advisor was wrong in selling this policy. I won't repeat all the details. However they had experience of these policies. They were working, there is no evidence that the multiples of lending to income

were anything other than within usual limits and there is nothing obviously unusual or different about the policy or the way it was set up.

I accept the business can't produce any record of an assessment of attitude to risk. That may of course simply be the effect of the passage of time on the records kept. However it was not actually a requirement at the time for businesses to record any such assessment. To put it another way I can't penalise the business simply because it hasn't produced such an assessment.

In summary of course it is entirely *possible* this policy was mis-sold but that is different from being able to safely say it *was*.

my final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 30 April 2018.

Mike Boyall
ombudsman