

complaint

Mr D and his representative complain that a Sun Life Assurance Company of Canada (U.K.) Limited whole of life assurance policy sold to him in 1994 wasn't suitable for his needs.

background

Mr D met with an adviser in 1994 and subsequently took out a whole of life assurance policy. In 2014 he cancelled it. He now says the policy wasn't suitable for him.

Sun Life doesn't agree. It says that due to the passage of time it's not now got all the records to fully assess whether the policy was suitable. But there was a clear need for life cover even though there's little record of it now. So, the policy was suitable.

Our adjudicator recommended that this complaint shouldn't be upheld. He considered that:

- Sun Life is only required to keep records for 6 years and some information has been destroyed.
- The information now supplied about Mr D's personal circumstances in 1994 suggests there was a need for the cover. He had a mortgage although it's not clear if it was repayment or interest only with an endowment. Mr D was employed, married and had two children. He didn't have any other protection in place. Although the policy doesn't match the mortgage amount it appears to have been taken out for family protection. Any benefits he may've had from his employment wouldn't generally be considered as they're subject to change and Mr D may've lost or changed his employment.
- From the available documentation it appears Mr D had a budget of £25 a month. It's likely this determined the amount of cover he bought. Even if other options had been considered it's likely Mr D would've asked for cover costing the premium he could afford to pay. If other cover had been taken, such as non reviewable whole of life, it's likely he would've got considerably less cover. The fact other policies may have been available at the time doesn't mean this policy wasn't suitable for Mr D.

Mr D's representative doesn't agree and has asked for an ombudsman review. It says there's absolutely no evidence from the time justifying the advice Mr D was given and the sale of the policy. Mr D also held an endowment plan to cover his mortgage.

my findings

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

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is most likely to have happened.

I agree with the conclusions reached by our adjudicator for broadly the reasons given.

It's unfortunate that little documentation is now available from 1994. But that's not surprising given the time that's gone by and the fact Sun Life is only required to keep documentation for six years.

Mr D has now confirmed that his mortgage was protected by an endowment policy. I think this adds weight to the suggestion that the Sun Life policy was taken out for family protection. I think it was most likely that in 1994 Mr D had a budget of £25 a month and he wanted to buy as much cover as possible with this sum to protect his wife and children in the event of his death. I think this aim was most likely achieved by taking out the Sun Life whole of life policy.

In any event, Mr D was free at any time after the policy was taken out to cancel it if he thought it wasn't suitable for him. But he didn't do so until 2014. He's had the benefit of the cover in the meantime.

Overall, I don't think on balance that the policy was unsuitable for Mr D as is now suggested. And I don't think I can reasonably require Sun Life to refund the payments Mr D made for it as his representative would like.

So, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to Mr D to accept or reject my decision before 5 November 2015.

Stephen Cooper
ombudsman