

The complaint

Mr G has complained that he was mis-sold a life insurance policy in 2017.

What happened

In 2017 Mr G spoke with an adviser at Deal Direct. The adviser set up a policy and emailed all the documentation to Mr G including a suitability letter and policy summary.

Our investigator didn't recommend that the complaint was upheld. Mr G appealed. He said that his requirement was for a guaranteed benefit to provide protection for his family in the event of his passing. He said he wasn't informed there was no guarantee of benefits or that he could outlive the policy. He felt that the policy was unsuitable for him.

As no agreement has been reached the matter was passed to me to determine. I issued a provisional decision on 29 January 2024. I said as follows:

- *Deal Direct say that Mr G applied for the policy online by completing a form. Deal Direct says the form had a drop down and Mr G indicated he wanted cover for 10 years. However, the details on the form don't match those of Mr G. For example, he says that he has never lived at the address shown. The address given on the policy taken out shortly after is quite different. His evidence is plausible – it follows I can't say it is more likely than not that he completed the form.*
- *In any event it is clear from the suitability letter Mr G's sole objective was to provide adequate protection for his beneficiaries to meet future financial needs in the event of his death. Mr G was 54 at the time and planned to retire at 70. He indicated that £50 per month was readily affordable for the protection he required. Nevertheless the adviser recommended a policy with a ten-year term. This clearly didn't meet Mr G stated protection needs. Deal Direct say that this was based on Mr G's requirement on the form. As indicated above, I'm not satisfied that Mr G did complete the form, but even if I were wrong about that the recommendation of 10 years didn't meet Mr G's sole objective. The policy would end was he was aged 64 and still working. I find that the recommendation was unsuitable.*
- *The suitability letter which was sent to Mr G explained that he would receive a cooling off notice, which would allow him 30 days to change his mind. But Mr G was satisfied that the adviser had taken his requirement into account and only recently realised that he was likely to outlive the policy and receive nothing back. This was an advised sale and the adviser had a duty to take reasonable care to ensure the suitability of his advice to Mr G, who was entitled to rely on his judgment.*
- *Additionally the adviser had a duty to inform Mr G of any demands and needs not met by his recommendation – he failed to do so.*
- *I'm satisfied on the evidence before me that Mr G was sold a policy that wasn't suitable for his expressed and recorded objective. I'm minded to uphold this complaint and to require Deal Direct Financial Solutions Limited to refund Mr G the*

amount paid in premiums to date. It should add interest. It should advise the policy provider that the policy is now cancelled. Mr G should ensure he cancels his direct debit.

Accordingly I was minded to uphold the complaint and require Deal Direct to return to Mr G a sum equivalent to the premiums he had paid with interest.

Direct Deal didn't accept my provisional findings. It sent a recording of the initial call it had made to Mr G on the number given on the initial enquiry form. It also sent evidence that Mr G owned the property at the address given on the form. Further it said that 10 years had been recommended because Mr G was a smoker, but Mr G had said that he intended to give up. It was felt that the 10-year term could be reviewed when Mr G has given up smoking for a period of time.

Mr G felt that because he had been mis-sold the policy the financial value had reduced. He accepted that the mobile number on the form was actually an old work number and that he was the owner of the property at the address given on the form.

In the light of the new evidence, I issued a second provisional decision. I said as follows:

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

Having done so I'm not minded to uphold this complaint. The information received after my first provisional decision has changed my mind. I'll explain why.

*Mr G had denied that the details on the form were correct. He said that he had never lived at the address given. That may be so, but he didn't say that he was the owner of the property. Additionally he now accepts that the mobile telephone number ending **06 was in fact an old work number – when his previous testimony was that he had never had a mobile ending with these digits. So I'm now satisfied that Mr G did complete the enquiry form and the details given were correct. The form also had a drop down – I find it more likely than not that Mr G ticked the '10 year' box.*

So I've looked carefully at the recommendation made to Mr G. Mr G had confirmed that he had £50 per month available so the recommendation of level life cover with a premium of £50 per month and a sum assured of £121,029 was within his budget. Of course, a longer term policy may have been more suitable, given Mr G's objective to provide adequate protection for his beneficiaries to meet future financial needs in the event of his death. But it is unlikely that this would have been affordable given Mr G's stated budget.

In any event I'm satisfied that the adviser discussed Mr G's smoking status and advised Mr G that cover could be increased when he had stopped smoking. The adviser sent Mr G his documents with a covering email explaining "Once you've gone 12 months nicotine free please give me a call and we can change the cover. If you have any questions or we need to change anything on the application, please feel free to call me". That email was sent to the same email address Mr G has given to this Service.

Mr G had the opportunity to review the documents he was sent. These made clear that the policy was for a ten-year term and had no cash in value at any time. In all the circumstances I don't find that the policy was unsuitable or that it was mis-sold or that Mr G was mis-advised.

I invited the parties to respond, but neither did.

What I've decided – and why

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

As there have been no further representations or evidence I see no reason to depart from the findings set out in my second provisional decision above.

I don't find that the policy was mis-sold or unsuitable for Mr G for the reasons given in my second provisional decision, which I adopt here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 April 2024.

Lindsey Woloski
Ombudsman