

## **The complaint**

Mr W has complained about advice received from Phoenix Life Limited when taking out an endowment policy in 1993.

Mr W is being represented in his complaint by a Claims Management Company (CMC). For ease I will refer to all actions as being those of Mr W.

## **What happened**

Mr W took out an endowment policy after taking advice from Phoenix in 1993. Phoenix at the time called the policy a 'Capital Investment Plan'. Mr W paid a single premium of £8,500 and the term of the policy was 10 years. The policy would provide Mr W with a sum assured of £10,469 if he were to die or at the end of the policy.

The policy was surrendered in November 2002, shortly before the term ended and Mr W received £14,900.

Mr W complained to Phoenix saying there was no explanation of how the plan worked or whether he was provided with documentation from it to read and review. He said he was unsure he was able to invest the sum he did, and he didn't understand the nature of the investment he was making. He said he did not know if any alternative plans were discussed. He asked for the premiums to be refunded with interest.

Phoenix said the policy was designed to provide a sum assured in the event of death or at the end of term. It said its adviser carried out a client profile and found that Mr W's priority at that time was that his family would be secure and to provide an amount in retirement. It said at that time it would have been reasonable advice to recommend this policy as it met his identified need.

Mr W remained unhappy so brought his complaint to our service where one of our investigators looked into what happened. They didn't uphold the complaint saying they were satisfied the policy was suitable. They said Mr W's priority identified by Phoenix was to provide a sum for his family or an amount in retirement. They also concluded that the policy wasn't unaffordable for Mr W as they could see or that the policy was too risky in anyway. Mr W disagreed. So as Mr W's complaint hasn't been resolved between the parties, it has come to me for a decision.

## **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.

Mr W has said there has been no explanation from Phoenix about how the policy worked or whether he was provided with documentation to read and review.

Given that the policy was sold in 1993 and surrendered in 2002 I don't think it's unreasonable that Phoenix doesn't hold all the documentation from the time of sale. This is

quite some time ago and so it's not unusual for some of the paperwork to no longer be available. In these circumstances it wouldn't be fair of me to decide that Phoenix had done something wrong simply because they were, understandably, unable to provide certain documentation about how the policy worked.

But what I do have to look through is a proposal form and a client profile that the adviser from Phoenix completed when they discussed with Mr W his needs. It has been useful for me to look through these documents. I can see from the answers the adviser recorded down that they ended up recommending the endowment policy and Mr W took it up. So, it has been useful to read this, to give me an idea about what the parties discussed at the time. What I have been able to see on this form is that Mr W was married and was employed. The policy was for a sum assured of £10,469. The form also showed that Mr W had limited savings of between £2,000 and £5,000 and didn't have a mortgage.

I can see that the adviser wasn't able to record down Mr W's salary and it is unclear as to whether he held any debt at the time. I also can't be sure what was discussed between the parties at that time but based on what was recorded down on the form, I haven't seen enough that would suggest to me Mr W had issues with affordability. At least not enough that would make the policy unsuitable for him.

It looks to me, on balance, that Mr W's needs were taken into consideration including affordability and the adviser went ahead and recommended an endowment policy, that would've met his needs. On the form I can see that Mr W had prioritised financial security for his family along with retirement and his needs were reflected in the policy the adviser recommended for him.

I wasn't party to conversation when the advice was given but I think, on balance, it is reasonable to assume that the long-term nature of the policy was discussed and taken into consideration. To uphold this complaint and say that policy was mis-sold I would need to be persuaded that the policy was unsuitable. And I haven't seen any persuasive evidence to show that's the case.

The policy was seemingly what Mr W wanted at the time. Having carefully considered everything I'm satisfied the policy was suitable for Mr W and provided the cover he required at the time.

### **My final decision**

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 September 2023.

Mark Richardson  
**Ombudsman**