

## **The complaint**

Miss W complains that Santander UK Plc mis-sold a guaranteed life plan in 2011.

## **What happened**

In 2011 Miss W took out a guaranteed life plan in a Santander branch. The plan provides fixed life cover of £25,000 and a fixed monthly premium is payable until Miss W reaches the age of 90. Miss W recently reviewed the plan and complained to Santander that she is unhappy that she has to pay the premium until she is 90. Miss W says she had mental health problems at the time, and she felt the plan had been forced on her.

Santander didn't uphold the complaint and said it had provided Miss W with details of the plan on the day and in the post several days later, along with a cancellation notice.

Miss W brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator didn't think the complaint should be upheld because Miss W would reasonably have been aware of the premiums were payable until age 90 and that the plan was suitable for her needs at the time.

Miss W asked that an Ombudsman decides the complaint.

## **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.

I understand Miss W will be disappointed, but I've decided not to uphold the complaint. I will now explain why.

There's no dispute the sale of the guaranteed life plan took place in 2011 when Miss W went to her local branch. Miss W says that she was approached by an adviser from Santander who discussed her protection needs. Santander is unable to provide a copy of any fact-find that may have been completed when the plan was sold. Whilst the fact-find may have been useful, I'm satisfied that I can make a decision based on the testimony of Miss W and other records Santander has provided.

The guaranteed life plan Santander sold Miss W has a maximum death benefit of £25,000 and a fixed monthly premium – the death benefit and the premium cannot go up or down during Miss W's life and the premium is payable until Miss W reaches age 90. If Miss W passes before age 90, the death benefit paid out by the plan will be £25,000; and, if Miss W reaches age 90, she will no longer have to pay premiums, but the £25,000 death benefit will be paid when she passes – whatever that age may be. This means that during the early years of the plan, Miss W benefits from £25,000 death benefit even if she's paid less into the plan.

There may well have been alternative types of life cover available to Miss W, but it's not my role to advise on alternative plans. Instead, I have to consider whether in the circumstances

of this complaint the plan recommended by Santander was suitable. With this in mind I've considered what Miss W told Santander her circumstances were when it sold the plan. When she made her complaint, Miss W told Santander that when she took out the plan she had two dependent children – the youngest of which was 9 years old – and that the plan was provided to provide a cash lump sum for her family if she died. Miss W also said that the plan was to provide life cover for funeral expenses. I therefore think it's reasonable for me to conclude that Miss W and the Santander adviser identified a need for life cover and that this would need to pay out a lump sum for the whole of Miss W's life.

Miss W says that she can get cheaper life cover than the plan Santander sold. That may well be the case, but that doesn't make the guaranteed life plan unsuitable for the needs Miss W and Santander agreed in 2011. The plan Santander recommended had a fixed premium, provided guaranteed life cover for family protection and funeral cover for the whole of Miss W's life.

Miss W says that the monthly premium was unaffordable at the time she took out the plan and is unaffordable now as she is not employed. As I've mentioned earlier in my decision, I haven't been able to review the fact-find completed at the time so I can be sure what was discussed at the time in this regard. However, I've seen that Miss W was sent a plan schedule and cancellation notice in the post, and as these clearly explain what the premium was that Miss W had committed to, I think it's more likely than not Miss W and Santander agreed that the premiums were affordable at the time. I think this is supported by Miss W and Santander agreed to set the death benefit at the maximum level for the plan of £25,000, as if Miss W had given an indication the monthly premium for this level of cover was unaffordable, it's more likely than not a lower level of cover would have been selected.

I've seen that Miss W has paid the premiums since the start of the plan, and when payments have been missed, she quickly paid them after a reminder letter. I'm aware that this had happened on three occasions in the 11 plus years since the plan started. Of course, it may now be that Miss W can no longer afford the premiums – due to a change in circumstances - but I can only consider whether the premiums were more likely than not affordable at the time the sale took place, and on balance I think they were.

Miss W is upset that she's found out she gets no cash-in value if she cancels the plan, and she feels the premiums she's paid to date are a loss to her. I can't see anything in the testimony from Miss W or the evidence provided that suggest Miss W agreed a need for savings. And, the documents Santander supplied at the time of the sale, and shortly after, makes it reasonably clear that the guaranteed life plan doesn't have a cash-in value at any time - and that depending how long she lived, Miss W may pay more in premiums than the death benefit provides. Regardless of this, the plan has been providing £25,000 of life cover, and will do so for the rest of Miss W's life, and I'm persuaded Miss W agreed this is what she needed at the time it was sold.

Miss W has asked that any decision takes into account that she was suffering with mental health issues at the time of the sale. Santander says that when Miss W complained about the sale of the plan, she confirmed she wasn't suffering any health issues at time she took out the plan. I can't say whether Miss W made Santander aware of any health issues at the time of the sale as there is no evidence either way and the application form doesn't ask any medical questions. However, although Miss W took out the plan in branch, Santander did provide details of the plan separately by post shortly after the sale. I think this would have given Miss W time to reflect on the plan – its benefits and her commitment to a long-term premium – and I think it's more likely than not that if Miss W had felt forced into taking out the plan when at the branch, the cooling-off notice would have provided an opportunity for Miss W to cancel the plan if she felt it had been forced on her. As I've not seen anything to suggest Miss W attempted to cancel the plan up until she made her complaint, I don't think it

would be fair and reasonable for me to conclude the plan was forced on Miss W.

### **My final decision**

For the above reasons, I've decided not to uphold Miss W's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 20 December 2023.

Paul Lawton  
**Ombudsman**