

## The complaint

Ms G complains about advice she received from Openwork Limited when taking out a life insurance policy.

## What happened

One of our Investigators looked into the complaint and thought it should be upheld.

After reviewing everything I came to a different outcome to our Investigator.

I issued a provisional decision on 14 November 2023 in which I said:

*Ms G has provided a lot of information about this complaint and it's clear to me how strongly she feels about what happened. I want to assure Ms G that I've read and considered everything that has been provided even if I don't mention it all in detail. I've summarised some things that happened which reflects the informal nature of our service.*

*Where the information about what happened is incomplete, unclear, or contradictory, as some of it is here, I've come to a decision based on the balance of probabilities about what I think is most likely to have happened.*

*The policy was set up around the time there were discussions between Openwork and Ms G about her taking out a mortgage. From what I've seen the proposed mortgage amount and term matched the policy details which would make it suitable for that purpose. I also see that several applications were submitted with different lenders, but none of them proceeded.*

*Ms G says that the policy was a requirement of the mortgage application, but I've not seen any persuasive evidence that's the case. This was an advised sale so it's possible Ms G was told the policy was useful and suitable, which this type of cover generally is when taking out a mortgage.*

*Openwork say Ms G agreed to the policy starting before a mortgage was set up. They haven't provided any proof of this saying it was agreed verbally.*

*They also say Ms G was told she could cancel the policy directly with the product provider should she wish. Ms G however says she was told not to cancel the policy. Having looked at all the information I haven't seen any persuasive evidence either way.*

*Because of the conflicting evidence I've taken a look at the wider circumstances of what happened around the time of the sale.*

*Openwork have provided advice notes from the time of the sale which say "the life policy is for her grand-daughter to inherit". So at the time it's recorded that the policy was for inheritance as well as to cover a mortgage. Ms G says there is no indication of inheritance, however recorded notes from the time indicate there was some kind of discussion about that requirement.*

*The recommendation letter about the policy says "I have recommended that this policy is*

*placed in trust and have provided you with the appropriate documentation to complete”.*

*Placing a policy in trust would typically been done in connection with inheritance planning rather than to solely cover a mortgage of the type Ms G was applying for. So I’m persuaded by the evidence from the time that the policy was required for some kind of family protection as well as to cover the mortgage.*

*The mortgage applications didn’t proceed but since I think there was a dual reason for the cover I’m satisfied it was a suitable recommendation.*

*In September 2021 Ms G cancelled the policy. She was contacted by the policy provider directly and agreed to have it reinstated. At that time there was still no mortgage in place and no application had been approved. Ms G says at the time Openwork were still trying to find a suitable mortgage and that’s why the policy was reinstated. The policy was cancelled again some few months later.*

*I’ve looked at all the available information and having done so I think the policy was suitable. Evidence from the time shows the policy was taken out for both a mortgage and for family protection. I’m persuaded by the information from the time about inheritance planning which goes some way to explaining why the policy started before the mortgage had been agreed. And the policy was also suitable for the mortgage Ms G was planning to take out.*

*Openwork have said they will waive the cancellation fee so Ms G should contact them directly to discuss this.*

*Having carefully considered everything that happened I’m satisfied the policy was suitable and don’t require Openwork to take any action.*

I asked both parties to provide me with any further submissions before I issued my final decision.

Ms G replied disagreeing with the decision saying that it was the product provider who advised her to make a complaint about the sale of the policy.

Openwork didn’t provide any further comments.

The complaint has now been passed back 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.

Having carefully thought about the response from Ms G I find myself coming to the same conclusion as my provisional decision. I think the policy was suitable and I haven’t seen any evidence which persuades me that Ms G was told not to cancel the policy.

I’ve conducted an independent review of everything from both parties when coming to an outcome. As I explained in my provisional decision, where there is conflicting information, as some of it is here, I’ve come to a decision based on what I think is most likely to have happened.

At the time the policy was sold Ms G was looking to take out a mortgage. From what I’ve seen the policy matched the details of at least one mortgage application from that time. There is also persuasive evidence that the policy was being taken out for family protection

and a trust deed was sent out but never completed.

I don't doubt that there were times when the policy was running that Ms G didn't hear from Openwork and there were communication issues. But this doesn't mean the policy wasn't suitable when it was sold. Also the policy was cancelled directly with the product provider but then reinstated. This would seem to indicate that the policy was required.

Having thought about everything I'm satisfied the policy was suitable so won't be asking Openwork to take any further action.

### **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 Ms G to accept or reject my decision before 15 January 2024.

Warren Wilson

**Ombudsman**