

## **The complaint**

Mr D complains Bank of Scotland plc (trading as Halifax) mis-sold him a life assurance policy. He says he was led to understand the policy provided cover for the whole of his life, but the policy expired with no value at end of the 10-year term. The policy was held in trust with Mr D as the sole trustee and the settlor, I'll refer to him throughout.

## **What happened**

In April 2012, Mr D received financial advice from Halifax in branch. It was recommended that he take out a term assurance policy which provided him with life cover and he'd pay the premiums over 10-years. He agreed to the advice, and the policy commenced shortly afterwards. Around the time the term was due to end, he discovered the policy didn't provide any cover after the initial 10-years ended. Following this Mr D raised a complaint with Halifax as he felt the policy had been mis-sold.

Halifax didn't uphold the complaint. In summary it said that the recommendation was suitable for Mr D and it met his recorded needs and circumstances at the time. It also said it provided information to explain the aim and characteristics of the policy and was satisfied Mr D understood the benefits of the policy.

Mr D didn't accept the response and referred his complaint to this service for an independent review. One of our investigators looked into the complaint. He didn't find that the policy had been mis-sold. In summary he said:

- He was satisfied the recommendation met Mr D's need to protect his family in the event of his death.
- The recommendation also met his budgetary requirements at the time.
- He didn't find evidence that supported the policy would last for life – rather all of the documentation available suggests the protection was only for 10-years.

Mr D responded and maintained that he wasn't told he wouldn't get anything at the end or that cover won't last his whole life. As no agreement could be reached, the complaint has been passed to me to reach 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.

Before going on to look at the wider suitability of the advice, I've first considered what appears to be Mr D's main complaint point. That relates to his recollection that he was misled into thinking the policy would provide cover for the whole of his life. He says he was never told the cover would end with no pay out at the end of the 10-year term.

I've looked at the evidence available – this includes Mr D's testimony and the documentation available from the sale and during the term of the policy. Halifax has provided a copy of the policy schedule. This makes it clear the policy had a term of 10 years. I've seen nothing to

suggest that the policy would provide benefits that extended beyond this term. Halifax also provided a copy of the Key Features booklet for the policy. This contains a risk warning that the policy has no cash-in value at any time, and if the benefit amount has not been paid out by the end of the selected term, the policy will end and you'll get nothing back. I've seen copies of annual statements sent to Mr D each year about the policy. These all contain a statement that says, "*when your protection ends*" and all the statements confirm this was on the "22 April 2022" (i.e. the end of the 10-year term).

I appreciate Mr D says he was led to believe the cover would continue for his whole life. But the evidence available doesn't support this was how the policy was explained. I've also not seen that he raised concerns about this when his annual statements showed something different to what he understood. Having considered everything, I've reached the conclusion that Halifax didn't do anything wrong here as the balance of evidence doesn't support that it misled Mr D about the extent of the cover.

I've gone on to consider whether the policy was suitable for Mr D. I've reviewed the fact find document and financial report that records what was discussed during the sales process. I can see from this documentation that consideration was given to Mr D's specific circumstances. It was identified that he had a need for life cover as his recorded aims were that he wanted to protect his dependent son in the event of his death. The policy recommended does achieve this for the period of dependency. It is also noted that Mr D didn't have any other cover in place. I can see that affordability was considered in the recommendation. Mr D was also recommended critical illness cover, but this was declined and a lower sum assured for the life cover was agreed (than initially recommended) due to cost.

Based on what I understand of Mr D's personal circumstances – including the fact he had dependents and no existing cover – life cover to support his family in the event of his death would have been useful in those unfortunate circumstances.

It follows that I haven't found reason to uphold the complaint, so I will not be asking Halifax to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 December 2023.

Daniel Little  
**Ombudsman**