

## **The complaint**

Mr K has complained that he was mis-sold critical illness insurance by Phoenix Life Limited in 1996.

## **What happened**

The background to this matter is well known to both parties. In summary Mr K was sold life and critical illness cover - a Progressive Protection Plan - in 1996. He complains that he didn't need the critical illness cover and was not made aware that he could remove it. Phoenix Life is responsible for the original sale. It didn't uphold Mr K's complaint, so he referred the matter here, the Financial Ombudsman Service.

Our investigator didn't find that Phoenix Life had done anything wrong. Mr K appealed.

I apologise for the time taken to reach this final stage of our process.

## **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 done so, and although I recognise that Mr K will be disappointed by my decision, I agree with the conclusion reached by the investigator. I'll explain why.

Due to the passage of time Phoenix Life no longer have the sale documents for this policy, but it has provided a pension review from January 1996. I find that this provides an accurate representation of Mr K's circumstances at the time.

Mr K was engaged and had a dependent child. The documents suggest that there was a need for life and critical illness cover. This would have provided for Mr K's family in the event of his passing or diagnosis of a covered illness. I haven't disregarded Mr K's submission that he was a non-smoker and in good health, but the policy provides cover should the unexpected happen in the future. I don't find it was unsuitable for Mr K.

However the policy had a 'cooling off' period – details of which were set out in the Key Features Document. Had Mr K decided that the policy wasn't right for him, he had 14 days to cancel completely.

I do understand Mr K's concern that the policy became more expensive, he says to the point it was unaffordable for him. I agree that the Key Features Document didn't specifically state that the critical illness cover could be cancelled at any time. But it does say, under the heading, *Can I change the level of cover at any time' – Yes. Progressive Protection is designed to be flexible, allowing you to alter the level of cover so that it is appropriate to your needs. After the first year you can increase or reduce the level of life cover and or critical illness cover at any time. You can reduce cover so long as the premiums and benefits do not fall below our minimum levels.* Mr K has quoted from the same document. I find it likely that he did receive it at the time of the sale.

Mr K has said the reducing cover comes with certain conditions and is not easy to do. I don't find there is anything to show it wasn't easy to do – the policy is designed to be flexible, and it was open to Mr K, or Mrs K, to make enquiries. They did so in 2022 and it became apparent that it was possible to remove the critical illness cover. I understand that has now been done and that Mr K is awaiting the return of premiums, this forms another complaint, so I won't comment further here.

In all the circumstances I don't find that the policy was mis-sold or that Mr K was mis-advised. Had Mr K needed to make a critical illness claim when the policy was in force, it would have responded. This being so there is no basis for me to require Phoenix Life to refund the premiums paid for the critical illness cover.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 December 2023.

Lindsey Woloski  
**Ombudsman**