

## **The complaint**

Mrs O complains, through her representative, about Liverpool Victoria Financial Services Limited. She's said they didn't inform her that she could end up paying more into an insurance policy than the policy paid out. For ease of reading, I will only refer to Mrs O.

## **What happened**

Mrs O took out two 50 plus policies with LV - one in 2005 and another in 2008. The first policy had a sum assured of £2,346 for a monthly premium of £11 and the second policy had a sum assured of £1,213 for a monthly premium of £8.

She complained to LV in 2022 about the pay-outs of the policies being less than the premiums she'd paid. LV looked into the concerns she'd raised but didn't uphold the complaint. They said that the policies were taken out on a direct sale basis, and they hadn't provided Mrs O with any advice. They also said that Mrs O would have been provided with documentation at the time of each sale which explained how the policies worked.

Mrs O didn't accept their findings and asked for our help. The complaint was considered by one of our investigators who didn't think it should be upheld. The investigator thought that LV hadn't provided Mrs O with any advice and, on the balance of probabilities, had given her enough information to make an informed decision about taking out the policies, including the risk that the total amount of premiums paid may be greater than cash sum payable on death.

Mrs O didn't agree and said that LV hadn't highlighted the risks associated with the policies or provided her with enough information to make an informed decision. She thought that LV were unable to prove that they had sent her any information about the policies and therefore the investigator was unable to base his decision on the assumption they had sent her any information.

The investigator wasn't persuaded to change his opinion so the complaint has been passed to me to make 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 done so, I agree with the outcome reached by the investigator, for broadly the same reasons and I will now explain why.

I think the issue at the heart of this complaint is whether or not Mrs O was given enough information to put her in an informed position before she took out the policies. I've considered what she has said about not being provided with any information at the time she took out the policies.

I appreciate what she's said but I must also consider the contemporaneous evidence that I've seen, and take into account the fact both sales took place some time ago and memories

fade over time. The declaration Mrs O signed when she took out the 2005 policy contained a statement saying, *'I have read the Key Features Document and in applying for this Plan, to the best of my knowledge and belief, all the statements made in this proposal and any attached or associated statements are true and complete'*. The declaration she signed when she took out the 2008 policy said, *'I have read the Policy Summary document, the Policy Conditions and the Declaration and Consent and agree to be bound by them'*.

Where evidence is incomplete, inconclusive or contradictory, I have to make my decision on the balance of probabilities - i.e., what I consider to have been more likely in light of the available evidence and wider circumstances. I think that given the content of the declarations that were signed, it is more likely than not that Mrs O was provided with information at the time of both sales which highlighted how the policies worked and the attached risks given that she signed to say that she'd read the Key Features Documents.

The Key Features Documents for both policies explained that depending how long the life assured lived, there was a chance that the premium paid could exceed the cash sum payable on death. There were also warnings that the policies had no cash-in values at any time. Because I think Mrs O was provided with this information, I don't think I can fairly say that she wasn't able to make an informed decision about taking out the policies. Therefore, I won't be asking LV to do anything to resolve this complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 4 December 2023.

Marc Purnell  
**Ombudsman**