

The complaint

Mr and Mrs T have complained that Countrywide Principal Services Limited ('Countrywide') mis-sold income protection policies to them.

What happened

Mr and Mrs T took out income protection policies in 2018 alongside their mortgage on recommendation from their financial adviser. This was an advised sale.

The adviser went through a number of different policies, some of which Mr and Mrs T agreed to and some which they said they didn't need.

Mr and Mrs T complained to Countrywide and said they told their adviser they didn't need income protection policies.

Countrywide responded and said the recommendations were made based on Mr and Mrs T's circumstances and they agreed to the policies at the time. Unhappy, Mr and Mrs T referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but found that the advice and recommendations given to Mr and Mrs T were suitable and so didn't think the policies had been mis-sold.

Mr and Mrs T disagreed and asked for an Ombudsman's decision. In summary they have said they did not want the policies and made it clear as in their experience and having heard from others, these types of policies rarely pay out. Mr and Mrs T say Mr T was off work and didn't claim on his policy which again supports that he wasn't aware that he had such a policy. He was surprised to learn that they had income protection policies and cancelled as soon as he realised.

And so the case has been passed to me to decide.

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 don't think this complaint should be upheld. I'll explain why:

- The relevant rules say that when a policy is sold during an advised sale, the seller must ensure it is suitable for the needs of the customer.
- I've reviewed the available documentation and paperwork from the time of the sale. This includes a 'reasons why letter' which sets out the discussion which took place about Mr and Mrs T's circumstances, their finances and their protection needs.
- The letter explains why income protection policies were recommended and that Mr and Mrs T agreed to the policies.

- A number of needs and policies were discussed including life, critical illness and income protection. Mrs and Mrs T didn't think critical illness was important but they did think it was important to protect their income in the event that either of them were unable to work due to illness or injury. The letter goes on to detail the different deferred periods for both Mr and Mrs T based on their specific occupations taking into account any company sick pay.
- Having considered the above, I am satisfied that the policies were suitable and that Mr and Mrs T agreed to take them out as they provided the information about their employment to Countrywide to enable it to make a suitable recommendation.
- Mr and Mrs T say they weren't even aware they had these policies and this is supported by a phone call to the insurer and the fact that they cancelled in 2022 as soon as they realised they had been paying for income protection policies. Mr T says he didn't make a claim which supports the fact that he wasn't aware he had such a policy. I have carefully considered this and whilst I don't doubt what Mr and Mrs T are saying, it is possible that due to the passage of time, and the number of policies discussed at the time, the details might have been forgotten. Based on the contemporaneous written evidence from the time of the sale, Mr and Mrs T agreed to the policies in 2018 and this was confirmed in writing. I think the policy was suitable as it was affordable and the appropriate deferred periods were put in place. And so I don't think the policies were mis-sold.

My final decision.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 25 October 2023.

Shamaila Hussain
Ombudsman