

The complaint

Miss B complains that Sesame Limited mis-sold her a decreasing term assurance policy in 2014.

What happened

The background to this complaint is well known to the parties so I won't repeat it in detail here. In summary Sesame's adviser recommended a decreasing term assurance policy with critical illness cover. Miss B and her partner accepted the recommendation and the plan started in 2014. A claim was made when Miss B's partner died in 2022. Miss B was left with a shortfall on her mortgage and complained the policy had been mis-sold. Our investigator didn't recommend that the complaint be upheld.

Miss B appealed. As no agreement has been reached the matter has been passed to me to determine.

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.

I'm aware I've summarised the background to this complaint. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the complete file and considered the representations Miss B made after our investigator's view. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I recognise that Miss B will be very disappointed my decision and I'm sorry this decision doesn't bring more welcome news. But for the following reasons I agree with the conclusion reached by our investigator:

- Sesame's adviser met with Miss B and her partner and prepared a suitability report – a summary of demands and needs. He recommended a decreasing term policy to cover the mortgage in full, but Miss B didn't accept this recommendation as it was beyond her financial budget. The suitability report records *'You said you'd prefer to take out some form of decreasing cover so that in the event of a claim a proportion of the mortgage balance would be covered, as you considered that the surviving partner could continue to work and the remaining reduced mortgage would be affordable'*. I find it was reasonable for the adviser to then source cover which Miss B could afford, although it provided a lower level of cover.
- The adviser explained his recommendation in the suitability report. I don't agree the consequences of taken the cheaper option were not made clear – the adviser set out that this provided a lower level of cover, but that it was affordable. I note that Miss B's circumstances had changed between the first and second meeting with the adviser

and Miss B was on maternity pay at the time of the second appointment. But this doesn't lead me to conclude that the adviser should have recommended a policy that would still have been unaffordable.

- Although Miss B feels that the adviser didn't take into account her existing life and critical illness policy, it is apparent that he did. He didn't advise about the suitability of the cover but recommended that Miss B retain the policy for additional protection. Miss B says that suitable advice would have been to cancel this policy and supplement the cost of new life cover. This would have deprived Miss B of valuable critical illness cover which was already in place. I do understand given what we now know, that Mr W sadly passed away, Miss B would be in a better position had this happened. But this doesn't mean that Miss B and Mr W were given unsuitable advice at the time.
- I'm satisfied that the suitability letter that was sent to Miss B and Mr W clearly set out the recommendations that the adviser was making and why he was making them. I note that a key features document was also provided. Accordingly, I find that Miss B was given appropriate information in good time and in a comprehensible form in order to make an informed decision about the recommendations made.
- It is clear that Miss B has experienced extreme financial hardship since the death of her partner Mr W. However, it doesn't follow that this is because the adviser gave unsuitable advice. The adviser was under a regulatory obligation to take reasonable care to ensure the suitability of his advice to Miss B and Mr W, who were entitled to rely on his judgment. In all the circumstances I don't find that the adviser acted contrary to law or regulations applicable at the time when giving the advice he did. It follows that I don't require Sesame Limited to take any action with regard to this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 November 2023.

Lindsey Woloski
Ombudsman