

The complaint

Mr A is unhappy with Sunlife Limited because he says it mis-sold his life insurance policies.

What happened

Mr A has three life insurance policies with Sunlife. Policy A was bought in 2014, Policy B was bought in January 2021 and Policy C in September 2021.

Mr A said it wasn't made clear that he could potentially end up paying into these policies more than they'd pay out. On that basis, he said these policies were mis-sold and that had he known that he'd never have taken them out.

Sunlife said the sale of all three policies was non-advised, meaning Mr A was responsible for ensuring they met his needs. It also said the policy paperwork sent at the time made it clear that he could potentially end up paying into each policy more than it would pay out in the event of a successful claim.

Our investigator agreed with Sunlife. He also explained he listened to the sales calls for Policies B and C and was satisfied this was made clear during those conversations. He noted the sales call for Policy A was no longer available given the length of time that lapsed since the original sale in 2014. Our investigator shared this evidence with Mr A, at his request, alongside the each of the policy documents from the time of each sale.

However, Mr A still disagreed with his findings and requested a final decision. In summary, he said that at no point was it made clear that he could potentially pay into the policies more than their value. He also said Sunlife destroyed evidence of calls he made regarding two of his policies. And so, it's now for me to make a final 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've decided not to uphold it and for the same reasons explained by our investigator. In essence, I'm satisfied Sunlife hasn't done anything wrong here. I say that because each policy was sold on a non-advised basis, which means it wasn't obligated to ensure these policies were suitable for Mr A. Sunlife's responsibility, in these particular circumstances, was to ensure Mr A was provided with clear, fair and non-misleading information so that he could make an informed choice whether to accept the policy's terms. I'm satisfied Sunlife did that. I'll explain why.

Sunlife has provided the ombudsman service with its files which contain details about all three of Mr A's policies. I should make clear that I'm satisfied it's not withheld or deliberately omitted any evidence like Mr A has suggested. I say that because the file it's sent is comprehensive and contains information related to all three policies.

In reference to Mr A's arguments about Sunlife withholding the call recording for Policy A, I

should say that I'm unpersuaded by what he's said here. Sunlife isn't obligated to retain records indefinitely and so it's not unusual for firms not to have information related to its consumers given the 10-year time gap in this case.

In any event, Sunlife still provided me with enough evidence to make a finding on Policy A as I've reviewed the sales literature and policy terms which were provided to Mr A in October 2014. I'm satisfied it was clear that Mr A could potentially pay more into the policy than it'd pay out following a successful claim;

"Depending how long you live, you could pay more in premiums than the cash sum paid out"

I should say that the other two policies had similar wording within the policy terms – Policy B's being provided to Mr A in January 2020 and Policy C's in September the same year. In addition to Mr A being told the same during both sales calls.

During Policy B's call Mr A was told by Sunlife;

"I do need to make you aware of your crossover, depending on how long you live you may pay more in premiums than the cash pay-out, for example if you take a plan out now age 84 paying £10 every month then after you've had the plan for 4 years 10 months, you'll have paid in more than the cash pay-out of £582, okay?"

And during Policy C's sales call he was told;

"Depending on how long you live, you could pay more in premiums than the cash pay-out. So, for example if you take out a plan now at age 84 paying £10 every month then after you've had the plan for 4 years and 10 months, you'll have paid in more than the cash pay-out of £585, okay?"

It's for these reasons I'm not upholding Mr A's complaint because I think Sunlife gave him clear, fair and non-misleading information about his policies, particularly related to the issue he's complained about. And so, I don't think Sunlife has mis-sold Mr A his policies for the reasons I've explained.

My final decision

For the reasons I've explained, I'm not upholding Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 August 2024.

Scott Slade
Ombudsman