

complaint

Mrs M has complained that Swinton Group Ltd mis-sold her a personal accident insurance policy. Mrs M is represented in her complaint by her husband, Mr M.

background

In 2011, while taking out car insurance, Mrs M was sold a personal accident insurance policy by Swinton.

In 2015, Mrs M cancelled the policy.

In 2016, Mrs M complained to Swinton that the policy had been mis-sold. She asked for a refund of her premiums.

Swinton didn't uphold her complaint. It said the policy had been sold over the telephone and relevant documents had been sent to Mrs M. Twelve days after the sale, and while still in the 'cooling-off' period, Mrs M had rung to cancel the policy. However, after Swinton offered to reduce the premiums, Mrs M agreed to retain the policy after all. It said it sent annual mailings to Mrs M to remind her of the policy and the cover it provided. It could see no reason to refund Mrs M's premiums.

Mrs M was unhappy at Swinton's response and referred her complaint to this service. Mr M, on behalf of Mrs M, said that his wife wasn't commercially aware and had thought this was part of her car insurance rather than a standalone policy. He thought Swinton had coerced her into keeping the policy when she tried to cancel it.

Our adjudicator didn't recommend that the complaint be upheld. He thought the policy had been suitable for Mrs M. Although the telephone calls from the time of sale were no longer available, he didn't think there was anything to suggest the policy had been mis-sold.

Mr M, on behalf of his wife, didn't accept the adjudicator's findings. He said Swinton had sold the policy without considering whether it was suitable for his wife or him (as he was also covered under the policy). He believed it had acted unfairly in persuading his wife to retain the policy when she tried to cancel it. He pointed out that the industry regulator had fined Swinton for the mis-selling of these types of policy between 2010 and 2012.

In view of the continued disagreement, the matter has been passed to me for a decision.

my findings

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 do not uphold this complaint. I shall explain why.

I'm satisfied that Mrs M agreed to take out the policy after speaking to Swinton. Although I haven't heard the telephone call, I've seen the welcome pack that was then sent to Mrs M and I'm satisfied that this clearly describes the nature of the cover.

Mrs M then rang Swinton intending to cancel the policy. This indicates she was aware she wasn't obliged to have the policy. Swinton offered to reduce the premium and Mrs M agreed to retain the policy. I don't think this is coercion. Instead, I think this is a legitimate

commercial tactic. Mrs M wasn't bound to accept the reduced offer. However, she chose to do so, indicating she was happy with the cover at the lower price.

Mrs M chose to have a policy which increased in cost and value each year. Swinton has shown that it wrote to Mrs M each year to let her know of the increased cover provided by the policy. I think Mrs M could quite easily have cancelled the policy at any time if she'd decided she didn't want it. However, she didn't do so until 2015, which suggests to me she was happy to keep the policy until that time.

I'm satisfied that the policy was broadly suitable for Mrs M. Her husband has pointed out that it excludes motorcycling accidents and says he has a motorcycle. However, I don't think this shows that the policy was generally unsuitable. I'm satisfied that if Mr or Mrs M had been unfortunate enough to suffer an accidental injury which was covered by the policy, it would have paid benefit.

Mr M has referred to the regulator's action against Swinton for mis-selling insurance policies. I can certainly understand his concern. I have taken this into account and given consideration to the regulator's findings. But I must consider each complaint on its own particular merits. Having done so, I don't think the policy was mis-sold. I therefore see no reason why Swinton should have to refund Mrs M's premiums.

my final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 1 July 2016.

David Poley
ombudsman