

complaint

Mrs Y is being represented by a claims management company. Her complaint about Bank of Scotland plc (trading as Halifax) concerns her life and critical illness insurance policy. Her representatives say the policy was mis-sold because she was told it was compulsory and wasn't given the option to decline it.

background

In 2008, Mrs Y altered her mortgage. She was also advised to take out a decreasing term life and critical illness insurance policy. The term of the policy and the amount of cover matched the amount of her mortgage and remaining term. It wasn't payment protection insurance (PPI). It was instead designed to pay out a lump sum to clear the mortgage if she died or suffered a serious illness before it's due to be repaid.

Our adjudicator didn't recommend the complaint be upheld. He didn't believe there was enough evidence Mrs Y was misled about the need to take the policy. And he believed it was a reasonable recommendation for her.

Mrs Y's representatives disagree, saying she'd been suffering from depression for some time before taking the policy and that she wouldn't have been covered.

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 agree with the adjudicator's conclusions for much the same reasons. I'm not upholding Mrs Y's complaint.

I've taken account of what Mrs Y says she was told (or not told) when the policy was arranged. But on their own and without additional supporting evidence, I don't believe her comments are enough for me to say she was misled about the need to take it.

Mrs Y received advice and the adviser had a responsibility to make sure any recommendation was suitable for her needs and circumstances.

Mrs Y had a mortgage. I think it would be difficult to argue she wouldn't benefit from a lump sum to clear that debt if she suffers a serious illness before it's due to be repaid. Or that her family wouldn't benefit from the same amount on her death. In the circumstances, I believe it was appropriate to recommend she take the policy.

With regard to Mrs Y's health, the application form did ask about depression. Specifically, it asked if she was undergoing treatment for '*mental illness or depression requiring one or more hospital admissions*'. She answered '*no*' to this question.

As far as I can see, Halifax issued the policy on standard terms meaning Mrs Y could have claimed for any of the illnesses it covered. Based on the information she gave in the application form, I've no reason to think any of the problems her representative has explained would have stopped her making a claim.

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 Mrs Y to accept or reject my decision before 9 July 2015.

Jim Biles
ombudsman