

Making a mortgage endowment complaint

This factsheet from the Money Advice Service tells you:

- what may give you grounds for complaint about a mortgage endowment policy and
- how to make a complaint.

Before you can get compensation, you need to show that you have grounds for complaint and that you've lost out financially as a result.

→ Grounds for a complaint

You may have grounds for a complaint if your adviser did not:

- tell you how your money would be invested and explain the risks involved
- explain that an endowment policy is a long-term commitment that often gives a poor return if you cash it in early
- check you were comfortable with the risks of your money being linked to investment performance, including the stock market
- check it was likely that you'd be able to keep up payments until the end of the mortgage, and
- explain any fees and charges and how they would affect the return on your savings.

You may also have a valid complaint if:

- your endowment policy finishes after you retire – and the adviser did not check that you were likely to be able to afford the premiums once you retired
- you were advised to cancel one endowment policy and take out another (an endowment policy is a long-term investment that often gives a poor return if you cash it in early)
- your endowment policy runs on after your mortgage is due to finish, or
- you were given a guarantee that the endowment policy would pay off your mortgage – but only if you can show that you were told that the endowment policy was guaranteed to pay out enough to pay off your mortgage and that this was part of the legal contract between you and the firm. This is likely to be rare.

→ How to make a complaint

1. Try to find all the paperwork relating to the purchase of your policy and any notes you made at the time. You are entitled to copies of the sales paperwork from the firm that sold you the endowment policy.
2. Complain to the firm that sold you the endowment policy. This may be a financial adviser, the endowment policy provider or your mortgage lender. If you can't remember who it was or the company you used has been taken over, check with the endowment company as they'll have the details you need.

Firms must have a formal complaints procedure and tell you how to use it. You won't be charged if you complain to the firm that sold you the policy.

3. The firm may send you a questionnaire to complete and return to them. Fill this in to the best of your ability as it will speed up the process.
4. You should receive a response from the firm within eight weeks from when they receive your complaint.
5. If you're unhappy with the firm's decision, or if they have been unable to resolve your complaint within eight weeks you can take your complaint to the free Financial Ombudsman Service (FOS), providing you do so within six months of the firm sending you a 'final response' letter.

Call their contact centre if you want help.
0800 023 4567 or 0300 123 9123

financial-ombudsman.org.uk

6. You can choose whether or not to accept the Ombudsman's decision. If you accept, it is binding on both you and the firm. If you don't accept, you can take your case to court. There will be a charge for doing this, and depending on what your claim is for, time limits may apply.

If you want to make a complaint, do it now – time may be running out, because deadlines apply.



➔ Frequently asked questions

How long do I have to make a complaint?

- six years from when the policy was sold, or
- three years from when you realised the policy was potentially mis-sold.

If you have only just realised you may have been mis-sold your policy, you could still be able to claim. See moneyadvice.service.org.uk and search for 'Endowment complaints' for more information.

Do I need to use a claims management company?

No. They don't improve your chances of succeeding with your claim or getting compensation. And they'll charge you a fee.

The success fee is usually a set share of any compensation paid which can amount to hundreds or even thousands of pounds. This is money which you then won't have to put towards paying off your mortgage.

Financial businesses have to handle complaints in a way that treats customers fairly as set out by the Financial Conduct Authority which supervises them. And remember, if you can't resolve your complaint, the Financial Ombudsman Service was set up by parliament to do this – they are independent experts, and their service is free to use.

I've surrendered my policy – can I still complain?

Yes, you may have a valid complaint and be due some compensation – as long as you can show that you weren't properly advised at the time of the original sale and you lost out financially as a result.

What if I can't trace the firm that sold me the endowment policy, or the firm has stopped trading?

If you used an independent financial adviser, your endowment company should have the details of who sold it to you. If you're not sure the firm still exists, contact the Financial Conduct Authority helpline on 0800 111 6768 or check their Register at fca.org.uk

If you can't trace the firm because it has stopped trading, you can contact the Financial Services Compensation Scheme (FSCS) on 0800 678 1100 or 020 7741 4100 or at fscs.org.uk

The FSCS is a scheme that can provide compensation against UK-authorized financial companies that have gone bust or are unable to pay any claims. But there are limits on what it will pay. It's also unlikely to be able to help if the advice to buy an endowment was given before 28 August 1988. Check their website for the limits and to see if you will be covered by the scheme.

I didn't lose money but it will cost me money to transfer to a repayment mortgage. Can I claim?

If you haven't lost out but are still unhappy with the risks of an endowment policy, you may be able to switch to a repayment mortgage. If the firm that sold you the policy has upheld your complaint it should also pay you for any reasonable charges to do with transferring your mortgage.

➔ Further information

To see or request our full range of guides including 'Endowment mortgage complaints' and 'Dealing with your mortgage shortfall' visit moneyadvice.service.org.uk

Money Advice Service

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We give advice, tips and tools on a wide range of money topics.

Visit

moneyadvice.service.org.uk

Or call our Money Advice Line on
0300 500 5000*

Typetalk

1800 1 0300 500 5000



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