

Making a mortgage endowment complaint

This factsheet from the Money Advice Service tells you:

- when you can complain about a mortgage endowment policy
- 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.

→ When you can complain

You may be able to complain 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 whether 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 be able to complain 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
- 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 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.
3. Firms must have a formal complaints procedure and tell you how to use it. The firm may send you a questionnaire to complete and return to them. Fill this in as best you can, 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 may be able to take your complaint to the Financial Ombudsman Service (FOS). You should do this within six months of the firm sending you a 'final response' letter. The FOS service is free to use.
Call the FOS contact centre for further help. 0800 023 4567 or 0300 123 9123, or visit financial-ombudsman.org.uk
6. You can choose whether or not to accept the FOS decision. If you accept it, the decision is binding on both you and the firm and you can't take further action. If you don't accept the decision, you can take your case to court. There will be a charge for doing this, depending on what your claim is for. Time limits for taking action will 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?

There are time limits on complaints. If you complain outside these limits, a firm can reject your complaint as being out of time – known as ‘time-barring’.

It can also ask the Ombudsman (FOS) to reject the complaint if:

- you get a letter warning of a high risk of a shortfall, then a letter giving you at least six months' notice of a 'final date' by which you have to complain; and
- the 'final date' is at least three years after you received the first letter and at least six years since you bought the policy; but you complain after the 'final date'.

See → moneyadviceservice.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 you would be paid and can be hundreds or even thousands of pounds. If you pay a success fee, this is money you can't use towards paying off your mortgage.

Financial companies have to handle complaints in a way that treats customers fairly according to rules set out by the Financial Conduct Authority (FCA), which supervises them. If you can't resolve your complaint the FOS can help you take things further. They are independent experts set up by parliament 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 you were sold the original policy 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 FCA helpline on 0800 111 6768 or 0300 500 8082. You can also check the FCA Register at fca.org.uk/register

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 fsics.org.uk

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
→ moneyadviceservice.org.uk

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*Calls are free. To help us maintain and improve our service, we may record or monitor calls.

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