

# 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.

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

Before you can get compensation, you need to show that you have grounds for a complaint **and** that you have lost out financially as a result. For more information on compensation, please see our **Endowment mortgage compensation** factsheet.

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 associated with transferring your mortgage.

An endowment policy includes life insurance cover so that the mortgage loan will be repaid if you die during the term. If you stop the endowment when you move to a repayment mortgage and you still need life cover, you should make other arrangements through a mortgage protection plan or a separate life insurance policy – see our website for how these work – [moneyadvice.service.org.uk](http://moneyadvice.service.org.uk)

## Grounds for a complaint

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

- tell you how your money would be invested and explain the risks involved, or
- explain that an endowment policy is a long-term commitment that often gives a poor return if you cash it in early, or
- check you were comfortable with the risks of your money being linked to investment performance, including the stockmarket, or
- check there was a reasonable expectation you would be able to keep up payments until the end of the term, or

- explain any fees and charges and how they would affect the return on your savings. (If you bought your policy between 29 April 1988 and 31 December 1994, you should have been given 'product particulars' including charges and surrender values for the first five years. If you bought your policy on or after 1 January 1995, you should have been given a Key Features document with details of fees and charges and their effect on your savings over the longer term.)

If you bought your endowment policy before 29 April 1988 or from a solicitor before 1 December 2001, get more information from our website at [moneyadvice.service.org.uk/mortgageendowments](http://moneyadvice.service.org.uk/mortgageendowments).

You may also have a valid complaint in the following situations:

- Your endowment policy finishes after you retire – if the adviser did not check that you were likely to be able to afford to carry on paying the premiums after 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. You should usually avoid cashing in one policy and taking out another for the same purpose.
- Your endowment policy runs on after your mortgage loan is due to finish – because an endowment policy sold to repay a mortgage loan will not normally be suitable if it finishes after the date when the loan has to be repaid.
- You were given a guarantee that the endowment policy would pay off your mortgage loan – as long as you can show that you were told that the endowment policy was guaranteed to pay out enough to pay off your mortgage loan and that this was part of the legal contract between you and the firm. This is likely to be rare.

**We try to ensure that the information and advice in this factsheet is correct at time of print. For up-to-date information and money advice please visit our website – [moneyadvice.service.org.uk](http://moneyadvice.service.org.uk).**

## How to make a complaint

### Step 1 – complain to the firm that sold you the endowment policy.

This may be a financial adviser, the endowment company or your mortgage lender.

Check with the endowment company if you are not sure who you should complain to as they will have the details.

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

Try to find all the paperwork 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.

When you make a complaint, 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.

**Step 2 – if you are unhappy with the firm's decision, you can usually take your complaint to the Financial Ombudsman Service – 0800 0 234 567 or 0300 123 9 123 [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)**

You must do this within six months of the firm sending you a 'final response' letter. The Ombudsman provides a free, effective, straightforward process for resolving disputes. If you are thinking of taking a complaint there, you can call its Contact Centre for help.

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.

## Complaints management companies

Some companies offer to help people pursue their complaints with financial services firms and/or with the Ombudsman. In return, you have to pay them a fee, usually in the form of a fixed share of any compensation that is awarded for a successful complaint.

As a result, the 'success fee' you would have to give them can amount to hundreds or even thousands of pounds, and this is money which you obviously won't then have to put towards paying off your mortgage. And using these companies does not necessarily improve the chances of your complaint succeeding or of you getting compensation.

You may feel that you would find it helpful to use a company to handle the complaint for you, but think carefully about the likely costs and benefits of this. And do check the fees and conditions before you sign any contract. Also check that the company is regulated by the Ministry of Justice or is a member of a professional body (such as the Law Society).



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

Yes, you may have a valid complaint and be due some redress – as long as you can show that you were not 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 bought your endowment policy through 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 Services Authority's helpline on 0845 606 1234 or check their Register at [www.fsa.gov.uk](http://www.fsa.gov.uk).

If you cannot 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 [www.fscs.org.uk](http://www.fscs.org.uk).

The FSCS is a 'fund of last resort' for customers of authorised financial services firms. If a UK-authorized financial services firm is unable or likely to be unable, to pay claims against it, the FSCS may be able to pay compensation to its customers – see its website for compensation limits. But the FSCS is unlikely to be able to help you if the advice was given before 28 August 1988.

## Further information

For more information on time limits for making a mortgage endowment complaint see **Mortgage endowments** on our website. Our **Dealing with your mortgage shortfall** guide has information to help you decide what to do if you think your endowment policy may not pay off your mortgage at the end of the period – see below.

## Money Advice Service

For advice based on your own circumstances or to order other guides

**Money Advice Line:** 0300 500 5000

**Typetalk:** 1800 1 0300 500 5000

Calls should cost no more than 01 or 02 UK-wide calls, and are included in inclusive mobile and landline minutes. To help us maintain and improve our service, we may record or monitor calls.

If you would like this factsheet in Braille, large print or audio format, please call us.

Take our new online **health check**. Answer some straightforward questions and get your personal action plan to help you with your money must-do's and longer-term goals.

[moneyadvice.org.uk/healthcheck](http://moneyadvice.org.uk/healthcheck)