

## **ENDOWMENT COMPLAINTS COURSE**

3 half days

### **Part 1 - Background**

Objectives of the course and good complaint handling

Key regulatory material, EBs, RU72

Tiner Letter

Final Notices on misselling and complaints

FOS Decision Trees and Ombudsman News

DISP

### **Part 2 Are we liable?**

Negligence

Section 62 FSA 1986 (now section 150 FSMA)

Know your customer

Best advice

Disclosure

### **FOS decision trees and other causes of liability**

#### **Suitability**

Mortgage risk - existing policies and Tiner

Endowments into retirement

Low start, roll-up, deferred interest

Life cover not required

Forward sales

Policy not affordable

Mismatches with the loan

Short term policies

#### **Disclosure**

Disclosure decision trees

Guarantees and risk

Complainant not made aware of possible alternative arrangements

Surrender penalties or other charges not explained

#### **Defences**

No causation

Insistent customers

Execution-only

IFA-gifted commission

Staff sales

### **Part 3 - Redress**

DISP App 2 and FSMA rules for endowment compensation

- Reducing damages for dissipated sums - the Bowden problem
- Comparison of outgoings
- Endowments sold into retirement
- Under and over-insurance
- Churning

“Guarantees”

Avoiding policies

Distress and inconvenience

Professional fees

Customer negligence

**Part 4 - Investigating and Resolving Cases**

Scope of DISP - notably pre-A day complaints

Identification

Acknowledgment

Investigation

Time-limits and reporting

Relationship between complaint handling and discipline

Drafting final response letters

Settlement

The FOS

Limitation