



## **Endowment Mis-selling**

In 1999 the Financial Services Authority initially warned the endowment mortgage industry that its marketing regulations were inadequate. Unfortunately, the endowment mortgage industry failed to heed the warning, and in 2000 the FSA was forced to take action. Several firms were fined and forced to pay compensation to policyholders. So far, this has amounted to over £650 million in compensation payments and over £5 million in fines.

When buying their endowment policy if policyholders received unsuitable advice and are worse off than they would have been taking out a repayment mortgage they are entitled to receive compensation. Evidence suggests that over half of all policyholders believe their policies were mis-sold, but fewer than 6% of policyholders have so far made a claim for compensation.

There are strict time limits on making an endowment claim for compensation. Policyholders have three years from getting a so-called "red" letter- meaning the endowment is unlikely to cover your mortgage - to start the procedure.

Many companies have not handled complaints fairly and the FSA has intervened repeatedly on this issue. Even so, for some companies the Financial Ombudsman Service (the appeals body for consumer complaints) is finding in favour of the policyholder in over 50% of cases. The most difficult types of policies to claim are the ones sold via IFAs before 1988.

Please contact us for a free initial evaluation of your claim with no commitment.

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