

PRESS CUTTING

THE SUNDAY POST/ May 15, 2005

Family Matters

you & your money

Ombudsman speeds up endowment payouts

LAST AUTUMN we told you about Gerry Diamond from Coatbridge who had set up an Endowment Compensation Centre business.

In the first year of operations Gerry has won an amazing £3.2 million in compensation for policyholders who had been mis-sold endowments.

However he claims that some insurance companies are now changing tactics to avoid paying out.

He says one well-known broker is now denying they sold policies when they did, hoping to wear complainers down.

"This company is now referring the policy holder back to the provider, who in turn say they didn't sell the product and refer customers back to the broker!

"When people receive letters telling them this they tend not to challenge them and give up any

By Jackie Byetheway

hope of compensation when in fact they should press on with it as the company is bluffing.

"It's a terrible situation for people to find themselves in."

One recent development, however, has seen the Financial Services Ombudsman speed up claims on disputed cases.

Previously the Ombudsman needed appropriate documentation from complainers and a letter from the insurance company denying compensation before it made a decision.

Now, once it has received the complaint, the Ombudsman speaks directly to the insurance company.

Gerry says, "Between 70-80 per cent of cases we refer are upheld quickly. It also means those people fighting their own corner shouldn't forget about the Ombudsman if they've been turned down."

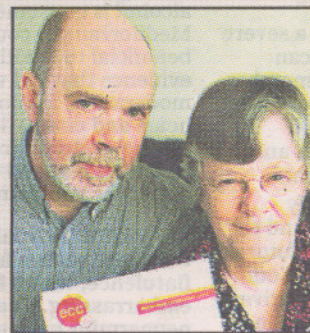
GERRY HAS just secured his best result this year, with £16,000 compensation for Airdrie couple Andrew and Alison Neave.

They took out their first endowment for £35,000 in 1989 when they bought a house in Baillieston. Eight years later they bought a bigger house and increased their mortgage. They also took out a second endowment for £15,000.

Andrew says, "I asked if we could add it on to our first policy but were told we couldn't. We'd lost our original policy document but when we got a new copy it clearly stated we could have."

The couple received letters stating their policies were performing well. But in February 2003 they were told there was a shortfall of about £3000, then last year they were shocked to be told it was nearer £14,000.

Gerry took up their case and



discovered the endowments were mis-sold because they would run into their retirement, and, as they suspected, the second endowment could have been added on to the first.

"We never thought we would receive as much compensation as we did," says Andrew. "I would say to anybody in the same boat to make the claim because the money is rightfully yours."