



Endowment mortgage complaints

Steps to take if you think you may have been mis-sold your endowment mortgage

- What you can complain about
- Time limits
- How compensation is worked out

Helping you manage your money today and for the future

Whatever your circumstances, MoneyHelper is on your side. Online and over the phone, we offer clear and impartial guidance that's quick to find, easy to use and backed by government. We can also point you to trusted services if you need more support.

We can help you:

- deal with debt
- understand your pension options
- reduce your spending and build up savings
- navigate life events such as redundancy, relationship breakdown, retirement or bereavement
- budget for bills or major purchases
- learn about mortgages and renting
- find out about extra benefits and entitlements.

Just search for MoneyHelper: moneyhelper.org.uk

Free impartial guidance

online | over the phone

From





Here to help you

This guide is for you if you want to make a complaint about the way your endowment mortgage was sold to you.

Contents

First things to do	2
Review your endowment mortgage	4
Making a complaint	5
Compensation for valid claims	9
Useful contacts	13

There are time limits on complaints about mis-sold endowment mortgages, so act quickly.

First things to do

Getting started



If you think you were mis-sold your endowment mortgage, you may be able to make a complaint and be entitled to compensation. It's important to act now, as you'll have a limited time to start the process.

1. Review your endowment mortgage

Read the reprojection letters from your endowment policy provider and take action if you need to (see p4).

2. Work out if you have reasons to complain

You need to show that you have a reason to complain and that you have lost out financially before you can get compensation. Find out what could be a valid complaint on page 5.

3. Act quickly

Time limits may apply to your situation. If you complain outside the time limits, a firm can reject your complaint. See more on page 7.

4. Get advice now if you're facing a shortfall

The longer you wait, the higher the cost will be.

Find out more about how to deal with an endowment shortfall at moneyhelper.org.uk/endowment-mortgages

Make sure you don't cash in your policy or stop your payments without taking professional financial advice. You could lose out if you do.

Practical advice

- Find any paperwork you were given when you bought the endowment policy and think back to what you were told at the time.
- If you decide to make a complaint, keep copies of any letters and notes of telephone calls. Send copies of documents but always keep the originals.
- 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. Contact your mortgage provider.
- Find out how much your monthly repayments could be if you changed your mortgage. Use our **Mortgage calculator** at moneyhelper.org.uk/mortgage-calculator



The Financial Conduct Authority (FCA) regulates firms selling endowment policies and there are rules in place that mean they have to deal with your complaint fairly.

Review your endowment mortgage

If you took out an interest-only mortgage you may have been sold an endowment policy. The combination is called an endowment mortgage.

An endowment policy invests your money with the aim of making it grow enough to pay off the original loan when the mortgage term ends.

Because the performance of investments can vary, there's usually no guarantee that the policy will grow enough to repay the mortgage at the end of the term.

If you're not sure whether you have an endowment mortgage, check your mortgage statement or contact your lender.

Endowment shortfall letters

You should have received letters with your annual endowment policy statement telling you whether your policy is on track to repay your mortgage. These are called **reprojection letters**. The letter will tell you:

- the amount of any expected/likely shortfall
- the options open to you
- what action you need to take.

If you haven't received a reprojection letter, ask your policy provider for one. Read it and take action if you need to.

Making a complaint

Making a complaint is easy and free.

If you want to make a complaint, **do it now** as there are time limits.

It's usually best to complain in writing. If you phone, make sure you keep detailed notes of your conversation, including the name of the person you spoke to and the date and time you called.

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.

Time limits on complaints

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 to reject the complaint.

For example, your complaint can be rejected 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 [moneyhelper.org.uk/endowment-mortgages](https://www.moneyhelper.org.uk/endowment-mortgages) for more information.

When you can complain

You might 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
- explain any fees and charges, and how they would affect the return on your savings.

You might also be able to complain if:

- your endowment policy finishes after you retire and the adviser didn't 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 clear 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're 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 might 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 might 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 might 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 service is free to use.
6. You can choose whether or not to accept the Ombudsman's 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.

Financial Ombudsman Service

Contact the Ombudsman for more help on **0800 023 4567**, or visit **financial-ombudsman.org.uk**

Even if the firm rejects your complaint as being out of time, you can still go to the Ombudsman if you think that:

- there are exceptional circumstances, or
- the time bar was wrongly applied.

Making a complaint if...

You took out your policy before 29 April 1988.

Selling and giving advice about endowment policies was not regulated until 29 April 1988. Some endowment providers voluntarily agreed to allow the FOS to look at complaints before this date. You can contact the FOS to check if the firm you're complaining to signed up to the voluntary arrangements.

- **If the provider or adviser signed up to the voluntary arrangements.**

They should always handle your complaint in line with the Financial Conduct Authority (FCA) rules, which state they must treat the complaint fairly. These include telling you when you can refer your complaint to the FOS.

- **If the firm did not sign up to the voluntary arrangements.**

You can still complain to the provider or adviser, but they don't need to follow the FCA rules every time. This also means that if you can't resolve your complaint with the firm, you won't be able to take your complaint to the FOS.

You were advised before 29 April 1988 but took out the policy after that date.

You may be able to refer your complaint to the FOS, even if the firm didn't sign up to the voluntary arrangements. Check with the FOS if you're not sure.

You bought your policy on advice from a solicitor.

Complain to the solicitor first. If you're unhappy with their decision, and bought your policy **before 1 December 2001**, take your complaint to the relevant complaints scheme, depending on where you live:

- Legal Ombudsman for England and Wales
- Scottish Legal Complaints Commission
- Law Society of Northern Ireland.

See *Useful contacts* on page 13.

If you bought your endowment policy on advice from a solicitor **on or after 1 December 2001**, you should follow the usual complaints procedure (see p5).

If your solicitor has stopped trading, contact the relevant law society. See *Useful contacts* on page 13.

You do not need to use a claims management company

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 FCA, which supervises them. If you can't resolve your complaint, the Ombudsman can help you take things further. They are independent experts and their service is free to use.

Complaining if you've surrendered your policy

You might 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 that you lost out financially as a result.

If the firm that sold the endowment policy 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**. You can use the FCA firm checker at: [fca.org.uk/firm-checker](https://www.fca.org.uk/firm-checker)

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 at [fscs.org.uk](https://www.fscs.org.uk)

If you didn't lose money

If you haven't lost out but are still unhappy with the risks of an endowment policy, you might 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.

Follow the steps on page 5 to make a complaint.

Key points

- Check you've received a reprojection letter telling you where you stand with your endowment. If you haven't received one, ask your provider for a copy.
- You won't be eligible for compensation if you haven't lost out financially.
- If you bought your policy between 29 April 1988 and 31 December 1994, you should have been given policy details called 'product particulars'. If you bought it on or after 1 January 1995, you should have been given a 'Key Features' document.

You may be able to get compensation even if you've cashed in your endowment policy.

Compensation for valid claims

How compensation is calculated

Compensation is usually based on what your position would have been now if you had taken out a repayment mortgage instead of an endowment mortgage. It isn't based on what you expected the policy to be worth.

Firms should follow the FCA guidelines when they work out compensation. If it isn't clear how the firm calculated the compensation, or you think there may be a mistake, ask for a breakdown of the figures.

The calculation will compare:

- the mortgage interest and endowment policy premiums you've paid and the current surrender value of your mortgage endowment policy, with
- the mortgage interest and capital repayments you would have paid on an equivalent repayment mortgage, and how much capital you would have paid off the mortgage.

In some cases, other factors are taken into account. For example:

- whether life insurance was needed
- whether the policy ran past your retirement date and the firm that sold you the policy should have foreseen that you would not have been able to afford it after you stopped working
- the type of endowment policy.

Key points

- Compensation isn't based on what you expected your policy to be worth.
- The way compensation is calculated depends on your circumstances.
- If you're offered compensation in line with FCA guidelines, you can assume it's fair.
- If the firm that sold you the policy upholds your complaint, it should help you switch to a repayment mortgage. They should also pay for any fees or expenses that you are charged for changing your mortgage.

If you have already switched to a repayment mortgage

Compensation is usually calculated up to the date when you changed to a repayment mortgage. This is because the endowment policy was originally taken out to repay a mortgage.

Tax on compensation

If the compensation simply puts you back in the position you'd have been in if you'd taken a repayment mortgage instead, then usually you won't have to pay tax on it. If the particular circumstances of the case mean that the compensation calculation includes an amount of additional interest, then you might have to pay tax on the interest.

In some other specific cases, for example if the policy is sold, surrendered or the terms changed, the FCA's guidance to firms is that it may be appropriate for them to pay any extra personal tax that you'll end up owing because of the compensation claim.

If you're not sure where you stand, or need help with working out how much tax you might have to pay, contact HMRC.

Visit [hmrc.gov.uk](https://www.hmrc.gov.uk) or call the Tax helpline number **0300 200 3300**.

An endowment policy includes life cover to repay the mortgage if you die early. If you stop the endowment and need life cover, you'll generally need to make other arrangements.

If you get compensation, consider using it to reduce the amount you owe on your mortgage.

An example of how standard compensation is calculated

The endowment mortgage

25-year endowment policy, duration to date five years

The mortgage (the target amount)	£50,000
Projected shortfall	£6,500
Endowment premium per month	£75

Endowment v repayment compared

Endowment policy surrender value	£3,200
Capital that would have been repaid with an equivalent repayment mortgage	£4,200
Surrender value minus capital repaid	-£1,000

Cost of converting from endowment mortgage to repayment mortgage	-£200
--	--------------

Total outgoings to date

Equivalent repayment mortgage (capital + interest + decreasing term assurance life cover)	£21,950
Endowment mortgage (endowment premium + interest)	£22,250
Difference in outgoings (repayment minus endowment)	-£300

Basis of compensation

Loss from surrender value less capital repaid	-£1,000
Loss from total extra outgoings under endowment mortgage	-£300
Cost of converting to a repayment mortgage	-£200

Total loss (so amount of compensation due)	-£1,500
---	----------------

The example on page 11 shows the complainant has lost out financially to date because the:

- surrender value of the endowment is less than the capital repaid
- total outgoings of the endowment mortgage are more than the total outgoings would have been on an equivalent repayment mortgage.

The two losses and the cost of converting to a repayment mortgage are added together to total up the compensation.

Free printed guides



April 2026

Credit unions and other alternatives to high-cost credit

- Need to borrow money but want to avoid high-cost credit?
- How to join a credit union
- Other sources of fair and affordable credit

Money Helper | HM Government



April 2026

Dealing with your endowment mortgage shortfall

- The options available
- Things to consider
- Helping you stay on track

Money Helper | HM Government



April 2026

Fee-free basic bank accounts

- How they work
- Things to consider
- Who offers them

Money Helper | HM Government

Our guides give you clear, impartial advice and information across a range of financial matters and topics.

moneyhelper.org.uk/free-printed-guides

Get advice and other useful contacts

MoneyHelper

MoneyHelper is independent and backed by government to help you make the most of your money. We give free, impartial money and pensions guidance to everyone across the UK – online and over the phone.

Visit us at moneyhelper.org.uk

Or contact us via:

Phone

Money and pensions guidance

UK: **0800 011 3797**

if you're outside the UK:

+44 20 7932 5780

Mon - Fri 9am to 5pm

Online

moneyhelper.org.uk/contact

Online communities

Join our Facebook groups for support: moneyhelper.org.uk/online-communities

Financial Conduct Authority

Regulates claims management companies

0800 111 6768

Use the FCA Firm Checker: fca.org.uk/firm-checker

To find a solicitor

The Law Society (England & Wales)
solicitors.lawsociety.org.uk

The Law Society of Northern Ireland
lawsoc-ni.org

The Law Society of Scotland
lawscot.org.uk

Complaints and compensation

Financial Ombudsman Service

0800 023 4567

financial-ombudsman.org.uk

Financial Services Compensation Scheme

0800 678 1100

fscs.org.uk

Legal Ombudsman (England and Wales)

0300 555 0333

legalombudsman.org.uk

Scottish Legal Complaints Commission

0131 201 2130

scottishlegalcomplaints.org.uk



This guide is produced by MoneyHelper and is also available in Welsh. To see our full range of guides and request copies visit moneyhelper.org.uk/free-printed-guides



Cymraeg

Contact us

Money and pensions guidance **0800 011 3797**
Mon - Fri 9am to 5pm

Relay UK **18001 0800 011 3797**
Mon - Fri 9am to 5pm

Online moneyhelper.org.uk/contact



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

Accessible formats

If you would like this guide in Braille, large print or audio format please contact us on the above numbers. Information correct at time of printing (April 2026). These guides are reviewed once a year.