



PRESS RELEASE

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SYMPONIA WARNS THE ELDERLY AGAINST KNEE-JERK CLAIMS FROM AXA, FOLLOWING FS OMBUDSMAN RULING

Last week, the Financial Ombudsman Service ruled that life company AXA should provide refunds for people who bought its “*Lifetime Care*” policies during the mid-90s. **Symponia**, the national affinity group for care fees planning and financial advice for people over 65, says people should think very carefully about cancelling policies and leaving themselves vulnerable without any cover to fund their potential care fees.

AXA (PPP) was one of a number of life companies marketing pre-funded care plans in the nineties alongside Norwich Union, BUPA and Scottish Widows. But in autumn 2005, AXA received adverse media coverage for announcing that its policies were not on track to pay out adequate cover and demanded that policyholders pay a top-up fee in order to maintain their benefits.

Stephen Wilkinson a chartered financial planner and Symponia member for North Yorkshire says : “The FOS’s ruling is a mixed blessing. For people who feel betrayed and angry that they were asked to cough up top-up premiums, the news will be welcome. Many people stand to receive tens of thousands of pounds and in line with the ruling are rightly entitled to ask for their money back. However, I urge people to think very carefully and seek proper advice from a highly qualified care fees specialist. There was a reason why people bought these policies in the first place and the likelihood is they will still have this same need. Some people will be in line to receive a cheque for £30,000 or so, which sounds like a lot of money, but it might only fund less than one year’s care fees, whereas keeping the policy running could pay out for the rest of someone’s life.”

Stephen Wilkinson says people should ask themselves the following questions

- Why did I/we take out the plan in the first place?
- Are those concerns still present?

- Are my/our circumstances still the same? Moving house, the death of a partner, remarriage will all have a part to play in the decision making process.
- What are the implications of cancellation?
- If I/we did need care, where would it be; at home or in a care home?
- What would it cost?
- How would I/we fund it?
- What alternatives are there? For instance an immediate care plan at the time of need may be a better option for some people.
- What State benefits would be available to me/us?
- Would my/our house be included?
- Could I release equity from my property at the time care is needed?
- If I did cancel and received a lump-sum, where should I/we invest the money, bearing in mind it was initially earmarked to part-cover care fees?

Symponia was chosen by AXA to help with its review process and provide specialist advice for policyholders. Symponia has members across the UK; to be introduced to a local member, please call 01789 774595 or visit

<http://www.symponia.co.uk/findamember.php> and click on the relevant region for a full list of members. .

ENDS

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Notes to Editors

Symponia (which is the Greek word for compassion) was created by Jeremy and Janet Davies who have 20 years' combined experience in long term care. Founded in January 2005 Symponia is committed to raising standards and increasing training and compliance levels within the long term care advice industry.

- All members are qualified IFAs who are selected by invitation only, after a rigorous selection process designed to make sure that members have the right people skills as well as technical competence. All members are subject to a Criminal Records Bureau (CRB) check. Symponia is the only advice group to carry out this procedure.

- Each member must pass a bespoke written examination every year. The exam is in addition to FSA requirements and tests market knowledge as well as technical competence. In addition to basic qualifications, advisers must have attained the industry benchmark examination known as CF8. Symponia is the only advice group to insist on this qualification.
- Members are subject to a Code of Practice and Conduct, and to a Customer Charter, which lays down strict service standards that the IFA must meet.
- Member IFAs pay an annual fee only (payable monthly). There is no commission split of business related fee.
- Symponia acts as an intermediary between care home providers and care fee specialist IFAs, providing the latter with introductions to providers in their area.
- Symponia is the only care fees planning advice group that has genuine national representation across England, Scotland, Wales and Northern Ireland. It is the only group to guarantee face to face consultation for clients in every part of the country.