

The complaint

Mr and Mrs G complain about the terms of an offer from Co-op Funeral Plans Limited to buy discounted plans after their previous provider went into administration.

What happened

Mr and Mrs G had plans with a company I'll call S. When Mr and Mrs G bought their plans, the sale and administration of pre-paid funeral plans wasn't subject to compulsory regulation. But this changed in July 2022, when it became a requirement for firms in the industry to be regulated by the Financial Conduct Authority. S originally applied to become regulated, but later withdrew its application, going into administration in March 2022. This left S's customers in an invidious position.

In September 2022, S's administrators wrote to S's customers providing details of two regulated funeral plan providers that were offering discounted plans to S's customers. Mr and Mrs G subsequently received further information from the providers.

Co-op set out what would be available, but explained the plans weren't purchasable immediately. Potential customers would receive further contact when they were. In Spring 2023, Co-op wrote again to Mr and Mrs G saying the plans were now available.

Mr and Mrs G contacted Co-op to question a limitation regarding which crematoria could be used. They wanted to use a local crematorium, whereas the nearest one available under the Co-op plan was approximately 50 miles away. Mr and Mrs G were told this wasn't possible, so complained. Co-op didn't uphold their complaint, saying the discounted plan was only available with the limitation on which crematoria could be used.

Mr and Mrs G remained unhappy so came to the Financial Ombudsman Service. To resolve matters they wanted to be able to buy discounted plans but use a local crematorium. Our investigator didn't uphold their complaint. She was satisfied Co-op had given Mr and Mrs G clear information to allow them to make an informed choice. As Mr and Mrs G disagreed, their complaint has come to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm not upholding this complaint. I know this will be unwelcome news for Mr and Mrs G and I'm sorry about that. I'll explain my reasons.

This is an unfortunate situation, in that Mr and Mrs G were let down by their previous provider. Co-op made a decision to offer discounted plans to S's customers. But as a commercial firm, it was entitled to set the terms of those offers. And one of the terms was

that, to enable the plans to be offered at a discounted price, only certain crematoria could be used.

I've seen templates of the letters sent to Mr and Mrs G. The initial letter said:

'To allow us to provide these plans at a discounted price, some limitations apply, which include...for cremation plans, only [W] and [M] crematoria can be used.'

The second letter, confirming the plans were now available to buy, reiterated the reason behind the limitations, further explaining:

'For cremation plans, only [W] and [M] crematoria (our crematorium partners with sites throughout the UK) can be used (you may wish to check the location of your nearest [M] or [W] crematoria before buying a plan).'

I understand Mr G has said he didn't want to opt into the offer from the other provider – a company I'll call D - when he didn't know how it would compare with Co-op's. But Mr and Mrs G were free to accept D's offer, regardless of Co-op's position at the time.

Mr G also feels Co-op shouldn't have raised hopes by writing to customers who didn't have a local crematorium provided by Co-op's chosen partners. I appreciate his frustration that the limitation means the offer didn't meet his and Mrs G's requirements. But I don't think Co-op has done anything wrong in this respect. Co-op's information clearly explained the terms of its offer – including limitations it was entitled to set. Mr and Mrs G were free to decide if those terms were right for them.

Once again, I'm sorry to be the bearer of disappointing news. But I'm not going to ask Co-op to do anything more regarding this complaint.

My final decision

My final decision is that I don't uphold this complaint against Co-op Funeral Plans Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 3 November 2023.

Jo Chilvers
Ombudsman