

## **The complaint**

Mr C complains to The Independent Family Funeral Directors Limited (TIFFDL) about the terms of his funeral plan. He says the plan was mis-sold, as the terms weren't made clear.

## **What happened**

To summarise, In December 2017, Mr C met with a funeral planning consultant and bought a funeral plan. The plan was sold by a company I'll call R. The plan – funded by a whole-of-life insurance policy, to which Mr C made monthly payments by direct debit – provided for a guaranteed sum of £3999, plus any additional growth, which would be paid to R for the provision of funeral services for Mr C at the time of need. The terms of the plan required Mr C to keep up his monthly payments in order to maintain the plan. There was no payment term specified. In other words, to maintain the plan, Mr C would need to make a monthly payment for the remainder of his life.

At some stage, TIFFDL took over responsibility for administering Mr C's plan and delivering his chosen requirements at the time of need. It's not clear to me exactly when this happened, although I note that R went into liquidation in June 2022.

In June 2023, Mr C contacted TIFFDL to check when his final payment would be, as he believed his plan would be fully paid up in December, by which time he would've made monthly payments totalling £3999. TIFFDL told him he would need to keep paying until he was 90. This came as a great shock to Mr C, who subsequently complained.

TIFFDL sent Mr C a final response letter saying the plan terms explained the payment arrangements and that Mr C had chosen to pay by fixed monthly payments when he bought the plan. It said it couldn't find any term that supported Mr C's belief that he would only be paying £3999 for his plan. It also explained that his options were to continue making payments or to cancel his plan. And it told Mr C that, in line with the terms, if he cancelled there'd be no further obligation on TIFFDL to fulfil his funeral plan and no money would be refunded.

Mr C was unhappy about this decision and came to the Financial Ombudsman Service. An investigator looked into things for him but didn't uphold the complaint. She explained that TIFFDL wasn't responsible for the sale of the plan – sold by R – but thought that TIFFDL was entitled to rely on the original cancellation terms. And she said TIFFDL had sent Mr C a funeral plan statement in August 2023 which clarified that payments would need to be kept up until age 90.

Mr C disagreed so the 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 recognise my decision will disappoint Mr C and I'm sorry about that. I'll explain my reasons, focusing on the key points and evidence I consider material to my decision.

R was a company that specialised in providing retirement services, including selling funeral plans. At the time, there was no requirement for a company selling pre-paid funeral plans to be regulated by the Financial Conduct Authority, as there is today. So although TIFFDL subsequently took over the administration of Mr C's plan, it's not responsible for the sale.

This means I can't consider any complaint points about the sale of the plan. I'm aware TIFFDL made some comments about the sale in its response to Mr C. And our investigator had some communication with Mr C about the information received at the time and what the plan terms say. But the sale was not subject to regulation, so I'm afraid it's not something I can look at. I appreciate this is an unsatisfactory situation for Mr C that will likely leave him with a number of unanswered questions, but I can't comment any further on this aspect of Mr C's complaint.

Mr C now faces a difficult decision. To maintain his plan he must continue making monthly payments. If he chooses to cancel he will lose all of the payments he's made so far – approximately £4000 – the amount he thought he'd be paying for his plan. I appreciate this is also an unsatisfactory situation for Mr C. I've looked at the original plan terms and it's clear that no refund will be made in the event of cancellation.

*'If the plan is paid by standard monthly payments and is cancelled, then no money will be refunded. Once your plan is cancelled we will have no further obligation to fulfil your plan.'*

I've also noted that TIFFDL has chosen to limit the payment term to *'for life or until the anniversary of the plan start date following your 90<sup>th</sup> birthday.'* This offers some potential benefit to Mr C, in that his payments would cease should he choose to continue with his plan and live into his 90s. But I acknowledge that may seem small comfort in the wider circumstances. In short, these are the terms under which TIFFDL is administering Mr C's plan. I think those terms are clear, so I can't say it's unfair for TIFFDL to hold Mr C to them. I therefore don't uphold Mr C's complaint.

## **My final decision**

For the reasons explained, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 January 2024.

Jo Chilvers

**Ombudsman**