

## **The complaint**

The estate of Mrs R complains that Golden Charter Limited charged a cancellation fee when Mrs R's plan was cancelled.

The estate is represented by Mrs R's son, Mr R, so I'll refer to him directly in my decision.

## **What happened**

To summarise, in May 2015, Mrs R bought a pre-paid funeral plan. The plan was sold by Mr R, who was an agent of Golden Charter at the time. Mrs R had intended to use another company – C – but went with Golden Charter because she wanted her son to receive the agent's commission.

Sadly, in April this year, Mrs R died. When Mr R contacted Golden Charter about the plan, wanting to use C for the funeral services, he was told it wasn't possible. Golden Charter explained that the only thing it could do was cancel the plan, but there would be a cancellation fee of £199. Mr R wasn't happy about this, but wanted to fulfil his mother's wishes, so the plan was subsequently cancelled.

Mr R complained, but Golden Charter didn't uphold the complaint. It said that as no nominated funeral director was listed on the application form, it appointed a local one. It referred to calls Mrs R made to Golden Charter shortly after the plan was sold and maintained that no incorrect information had been given to her.

Mr R 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 was satisfied Golden Charter had acted fairly in applying the cancellation fee, in line with the terms and conditions.

Mr R disagreed, saying that when the plan was sold it was possible to use one of C's funeral directors. As Golden Charter were not honouring that option, he thought it was unfair to charge the cancellation fee.

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 know this will be unwelcome news for Mr R and I'm sorry about that. I'll explain my reasons, focusing on the points and evidence I consider material to my decision. So, if I don't refer to a particular point or piece of evidence, it's not because I haven't thought about it. Rather, I don't consider it changes the outcome of the complaint.

The issue I have to decide is whether Golden Charter fairly deducted a cancellation fee from the plan refund. I've looked at the plan terms and can see under section 10.1 that Golden Charter is entitled to charge the fee. But to determine whether that entitlement was fairly exercised, I need to think about what happened after Mrs R bought the plan.

Golden Charter says a membership pack of plan documents was sent to Mrs R in early June 2015. It's clear Mrs R received this information because she called Golden Charter a week later to ask some questions. I've listened to this call carefully. Mrs R had noticed that a local funeral director had been appointed. She explained the history of wanting to use C and her son's involvement in the sale. In response, the call handler tells her C generally won't accept Golden Charter's plans, because they sell their own. He suggests Mrs R has a chat with her son and lets Golden Charter know what she'd prefer to do. The gist of this conversation is repeated, with some further details from Mrs R. At the end of the call, the handler reiterates for Mrs R to speak to her son and see how she'd like to proceed. He concludes by confirming that if she wants to do anything with the plan, she should let Golden Charter know and they'll get on to it.

There's a second call, a few days later, which I've also listened to. The focus of this call is Mrs R's desire to ensure that the commission from the sale will go to her son, Mr R. There's no discussion at all about the content of the plan or C's possible involvement. Golden Charter has said it didn't receive any further contact from Mrs R.

Mr R insists that it was possible to use C as funeral directors when Mrs R bought the plan in 2015. I accept this as his firm understanding and recollection. But having reviewed Mrs R's application form, I can see that there's no chosen funeral director recorded on it, hence Golden Charter's nomination of a local one. I've also looked at the plan terms. Under section 9.2 'Change of Selected Funeral Director', it says:

*'Where you have chosen the Single Payment Option...you may at any time prior to your death, by giving us written notice, request the appointment of a different Selected Funeral Director. We will use reasonable efforts to comply with your request.'*

And having listened to the calls, I'm satisfied Mrs R was clearly informed there was a problem with wanting to use C's funeral directors and that she agreed she would speak to Mr R before making any decisions about the plan. I'm also satisfied no further information was received from Mrs R and that, consequently, the local funeral director remained the selected provider.

Mr R has also said Golden Charter should've contacted him about the plan. But in 2015, and thereafter, Mr R wasn't listed as a representative for Mrs R. Consequently, I'd expect Golden Charter only to deal with Mrs R in respect of her plan. I'm aware that a power of attorney was later registered for Mrs R. But this was in 2017, some time after Mrs R bought the plan.

So overall, I don't think Golden Charter acted unfairly in 2023, when it said it wasn't possible to use C's funeral director and that, if that was the estate's choice, cancellation was the only option. And, in view of the information Mrs R was given in 2015 and subsequent lack of further contact about the selected funeral director, I don't think it was unreasonable to apply the cancellation fee in line with the plan terms and conditions. Consequently, I won't be asking Golden Charter to do anything more in respect of this complaint.

**My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs R to accept or reject my decision before 28 September 2023.

Jo Chilvers  
**Ombudsman**