

## **The complaint**

The estate of Mrs C complains that Dignity Funerals Limited won't issue a full refund, following cancellation of Mrs C's funeral plan.

The estate is represented by a relative, Mr C.

## **What happened**

To summarise, in March 2017, Mrs C took out a funeral plan with a company I'll call P. I understand the plan cost £3845 and was fully paid for up front. When Mrs C bought her plan, 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 pre-paid funeral plan industry to be regulated by the Financial Conduct Authority (FCA). P originally applied to become regulated, but later withdrew its application and went into administration. Customers were contacted with details of a proposal Dignity was offering, whereby they could obtain a Dignity funeral plan that matched as closely as possible their original plan, at no additional cost.

In October 2022, Mrs C opted into the Dignity proposal. In November 2022, Dignity sent Mrs C a letter, confirming she'd successfully provided consent to enter into a Dignity Funeral Plan and enclosing plan documentation.

Sadly, in July 2023, Mrs C died. I understand that Mrs C's family were aware only of her contract with P, so contacted the originally named funeral director to begin making arrangements for Mrs C's funeral. They subsequently became aware that Dignity was now administering Mrs C's plan. However, when they spoke to Dignity they were distressed to learn that, under Mrs C's Dignity plan, only a Dignity funeral director could be used – not Mrs C's chosen independent funeral director. Mrs C's family did not want to use a Dignity funeral director. So Mrs C's Dignity plan was placed in cancellation status, pending a refund, subject to the plan's terms and conditions.

Mrs C's family say they expected to receive a refund within a few months. In January 2024, they complained about the delay in providing a refund. Dignity didn't uphold the estate of Mrs C's complaint. In its final response letter, it relied on its terms, saying a refund could only be issued when finances were received from P's administrators. It confirmed nothing had been received to date and there was no further information about when the process would be completed. It also confirmed that any funds received were likely to be less than those paid into the plan. It said Dignity had no control over the amount of money received, but that it would pass on in full what was received in respect of Mrs C's plan.

Mr C remained unhappy, so brought the estate's complaint to the Financial Ombudsman Service. But our investigator didn't uphold the complaint, so Mr C asked for an ombudsman to review everything and issue 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 appreciate Mr C feels strongly about what's happened and I acknowledge my decision will be unwelcome news. I'll explain my reasons, focusing on the points and evidence I consider material to my decision.

Unfortunately, when P left the funeral plans market and went into administration, Mrs C, like all P's customers, was put in an unenviable position with, through no fault of her own, very limited options.

I've reviewed terms Mrs C was sent by Dignity. Under a section entitled, '*cancellation*', it says:

*Upon receiving your notice of cancellation, we will refund all the money paid within 30 calendar days of us receiving your notification. For the avoidance of doubt, where your plan was previously held by another provider, the refunded sum shall be capped at the amount of money received by us in relation to the plan from your previous provider and any subsequent payments made directly from you to us.*

Mr C has suggested Mrs C may not have received Dignity's letter so wouldn't have known about Dignity's terms – particularly as all her important documents were stored together. Of course, no-one can confirm Dignity's letter enclosing terms was received. But I'm satisfied it was sent. And generally, most post that's sent is successfully delivered. So on balance, I'm satisfied Mrs C received the information.

I've also looked at a note about the call made to Dignity when Mrs C's family realised there'd been a change regarding her plan. The note refers to Mrs C's family being told that funds had not yet been received from P's administrators and being unhappy about this as they felt Dignity should take on the risk and provide the refund. The call handler clarifies that she does not know when or how much funds will be received.

I acknowledge Mrs C's family may have a slightly different recollection of what was said about a refund. But the information in the call note is consistent with Dignity's terms. So overall, I think Mrs C's family would've understood that Dignity wasn't responsible for refunding all the money Mrs C had paid to P.

This is a very unfortunate situation and I can understand Mrs C's family's frustration about the present lack of any refund. Mrs C's family chose to remain with the independent funeral director, prioritising Mrs C's wishes for her funeral. As a consequence they had to pay the funeral director for those services. But Mrs C paid money for her plan to her original provider, not Dignity. And to date, Dignity hasn't received any funds from P's administrators

in relation to any of P's customers' plans. I don't think it would be fair to require Dignity to refund Mrs C's estate money it hasn't received from her previous provider.

So overall, I don't think Dignity acted unfairly in not providing Mrs C's estate with a refund. Dignity has explained it will contact the estate when it has more information about any refund available.

For these reasons, I'm not going to ask Dignity to do anything more in respect of this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint about Dignity Funerals Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 25 October 2024.

Jo Chilvers  
**Ombudsman**