

The complaint

The estate of Mrs A complains about poor service from Co-op Funeral Plans Limited after Mrs A died and her family sought to arrange her funeral.

The estate is represented by Mrs A's son and executor, Mr A.

What happened

In summary, Mrs A had a pre-paid funeral plan with Co-op. Sadly, in December 2022, Mrs A died. Her family contacted Co-op to arrange for Mrs A to be taken into their care and to start making arrangements for her funeral.

Unfortunately, things did not run smoothly. Mrs A's children were unhappy with the service they received, including the time taken to collect their mother from the care home, the attitude of Co-op's collection staff, and the advice and information they received regarding arrangements for Mrs A's funeral. Significantly, the information they were originally given about additional costs didn't factor in non-resident charges for burial, resulting in Mrs A's family sourcing an alternative venue, as they didn't want to change the date of the funeral at short notice.

Mrs A's family subsequently complained. Co-op upheld the complaint, acknowledging there'd been errors, apologising and offering £500 compensation.

Mrs A's family weren't satisfied with Co-op's response, so came to the Financial Ombudsman Service. Our investigator upheld the complaint. She explained she was unable to comment on Co-op's offer of £500 as our rules only allow us to award compensation for distress and inconvenience to eligible complainants, not their representatives. However, she also thought there'd been diminution in the value of Mrs A's plan, as Co-op hadn't delivered all of the elements of Mrs A's plan adequately. She recommended Co-op redress the diminution by paying the estate of Mrs A £300 for loss in value.

Co-op accepted our investigator's view. But Mrs A's family remained unhappy and asked for an ombudsman to review things 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 upholding this complaint to the extent that I require Co-op to pay the estate of Mrs A £300 for loss of value in the funeral plan she bought. I appreciate this isn't the news Mrs A's relatives were hoping for. 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.

Firstly, I'm aware Mr A has expressed frustration about the limits of our powers. As our investigator explained, our rules only allow us to award compensation for poor service to eligible complainants themselves – that's Mrs A in this case. The events complained of all happened after Mrs A died, so didn't affect her personally. And I can't consider the impact of Co-op's actions on Mrs A's representative or other family members. I appreciate this is an unsatisfactory position for Mrs A's relatives and I'm sorry about that. But it's not something I can change.

I do, nevertheless, accept that Co-op's dealings with Mrs A's family have fallen short of expectations and caused upset, stress and inconvenience at an already challenging time. And I was pleased to see that Co-op acknowledged there were failings, apologised and offered £500 compensation in recognition of the impact of those errors.

But as well as the impact of Co-op's mistakes, I think there has been a financial loss to Mrs A's estate. I say this because I don't think all of the goods and services Mrs A bought were delivered to a satisfactory quality and standard. This has led to a diminution in the value of her plan. Amongst other things, Mrs A's plan included the provision of advice on all matters relating to the funeral and all funeral directors services to make the funeral arrangements. I think these services included advice, information and assistance to identify a suitable burial plot. The critical issue here was Co-op's funeral arranger not appreciating the potential additional cost of plots where the deceased was not resident in the local area. As a consequence, Mrs A's family had to undertake work at short notice to identify a suitable burial site, something with which they could reasonably have expected Co-op's support.

I'm aware Mr A has previously asked for evidence as to how the figure proposed by our investigator to reflect diminution in value was calculated. But as our investigator has explained, under our rules, I'm required to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case. I'm conscious that other elements of the plan were delivered satisfactorily, so overall, I think £300 fairly reflects the reduction in quality resulting from Co-op's poor advice. I should stress that this financial loss is separate from the impact of that and other failings on Mrs A's family which is reflected in Co-op's offer of £500.

Putting things right

To put things right Co-op should:

- Pay the estate of Mrs A £300 to reflect the diminution in value of Mrs A's plan.
- In line with our usual approach, set out on our website, Co-op should add to the payment 8% per annum simple interest, from the date of Mrs A's death - 13 December 2022 - until the date the payment is made. I have determined this as a fair date from which to pay interest, as the redemption of Mrs A's plan – commenced on the date of her death – was when the diminution in value began.
- If Co-op considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell the estate how much it's taken off. It should provide a tax deduction certificate if requested, so that the estate can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I require Co-op Funeral Plans Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A, on behalf of the estate of Mrs A, to accept or reject my decision before 16 November 2023.

Jo Chilvers
Ombudsman