

The complaint

The estate of Mr E complains about poor service from Co-op Funeral Plans Limited after Mr E died and his family sought to arrange his funeral.

The estate is represented by Mr E's widow and executrix, Mrs E, who in turn is represented by her daughter, Miss E.

What happened

In summary, Mr E had a pre-paid funeral plan with Co-op. Sadly, in April 2023, Mr E died. His family contacted Co-op to arrange for Mr E to be taken into their care and for the preparations for his funeral to be made.

Unfortunately, things didn't run smoothly. Mr E's family were unhappy with the service they received, including the time taken to collect Mr E from home, the attitude of Co-op's staff, the information they were given regarding Mr E's resting place, the wait to view Mr E at the chapel of rest and the overall length of time between Mr E's death and the funeral. And on the day of the funeral Mr E's family were particularly unhappy about inappropriate comments from the funeral director, learning that family members would not be able to carry the coffin and the wrong version of the eulogy being read out.

Mr E's family subsequently complained. Co-op upheld parts of the complaint, acknowledging there'd been errors and apologised for the issues the family had faced. By way of compensation, Co-op offered £250 for distress and inconvenience and a total of £670 for loss of value in the plan.

Mr E's family weren't satisfied with Co-op's response, so came to the Financial Ombudsman Service. Our investigator explained he was unable to comment on Co-op's offer of £250 as our rules only allow us to award compensation for distress and inconvenience to eligible complainants, not their representatives. However, he agreed Co-op hadn't delivered all of the elements of Mr E's plan adequately, resulting in a diminution in the value of Mr E's plan. He thought Co-op's offer of £670 for loss in value was a fair.

Mr E's family remained unhappy and asked for an ombudsman to review things and issue a final decision, so the complaint has come to me.

I understand Co-op has contacted Miss E to arrange payment of both the £250 compensation and the £670 refund for loss of value, but Miss E has indicated she will wait for my 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 Mr E £670 for loss of value in the funeral plan he bought. This is distinct from the £250 compensation offered separately to Mr E's family.

I acknowledge the strength of feeling Mr E's family has regarding what happened, so I appreciate this news may be unwelcome for his relatives. 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, for completeness, I'll reiterate what our investigator has explained regarding our powers to award compensation for distress and inconvenience. Our rules only allow us to award this type of compensation to eligible complainants themselves – that's Mr E in this case. The events complained of all happened after Mr E died, so didn't affect him personally. And I'm afraid I can't consider the impact of Co-op's actions on Mr E's family members. I appreciate this is an unsatisfactory position for Mr E'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 Mr E's family have fallen short of expectations and caused upset, stress and inconvenience at what was an already distressing and challenging time. I'm pleased to see Co-op acknowledged there were failings, apologised and offered £250 compensation in recognition of the impact of those errors.

But as well as the impact of Co-op's mistakes, there has been a financial loss to Mr E's estate. I agree that not all of the goods and services Mr E bought were delivered to a satisfactory quality and standard. This led to a diminution in the value of his plan. Amongst other things, Mr E's plan included elements covering Co-op's care in helping to tailor the funeral ceremony, looking after Mr E and providing services and support on the day of the funeral. I've considered the errors made and where Co-op considers its delivery of the plan did not meet required standards. Overall, I think £670 fairly reflects the reduction in quality resulting from Co-op's failings in respect of these elements. I stress again that this financial loss is separate from the impact of those failings on Mr E's family, which is reflected in Co-op's offer of £250.

Putting things right

To put things right Co-op should:

- Pay the estate of Mr E £670 to reflect the diminution in value of Mr E'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 Mr E's death – 8 April 2023 - until the date the payment is made. I've determined this as a fair date from which to pay interest, as the redemption of Mr E's plan – commenced on the date of his 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 uphold this complaint and require Co-op Funeral Plans Limited to resolve the complaint as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr E to accept or reject my decision before 29 November 2023.

Jo Chilvers
Ombudsman