

The complaint

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

The estate is represented by Mrs B's daughter, Miss B.

What happened

In brief summary, Mrs B had a pre-paid funeral plan with Co-op. Sadly, in June 2023, Mrs B died. In the immediate aftermath of Mrs B's death, Miss B says she and her family received no service or communication from Co-op. They were left without clear information about where Mrs B was being cared for and their questions about the process and what needed to happen next were not answered. Promised call-backs were not received and they experienced further frustration when trying to visit Co-op Funeralcare branches which were unexpectedly closed for business. Miss B and her family quickly lost confidence in Co-op and, four days after Mrs B died, felt they had no option but to change provider. The following day, Miss B did receive a call back from Co-op. But by this stage Miss B and her family had already spoken to another funeral director and made the decision to go elsewhere.

Mrs B's family subsequently complained, raising a number of points. They said their experience with Co-op had caused considerable distress and inconvenience at a very difficult time.

Co-op partly upheld the complaint, acknowledging its communication within the first couple of days had been poor and Miss B shouldn't have had to chase up calls. It apologised for the upset caused. Co-op also said that the funeral plan services had still been available to Mrs B and her family. As they'd chosen to cancel Mrs B's plan, it was entitled, under the terms, to charge a £250 cancellation fee. But in recognition of the poor communication, it would not do so, instead offering a full refund of the money paid for the plan.

Mrs B's family weren't satisfied with Co-op's response, so came to the Financial Ombudsman Service. They said they had incurred additional expense, paying for Mrs B's funeral at 2023 prices, when the funeral plan had been bought in 2015.

Our investigator explained he was unable to comment on Co-op's response to the service elements of the complaint, as our rules only allow us to award compensation for distress and inconvenience to eligible complainants, not their representatives. He was able to look at Miss B's complaint point that Co-op should refund the additional costs the family had incurred in changing provider. However, he didn't uphold this point, as he'd not seen anything to suggest Co-op would have been unable to carry out the funeral through a Funeralcare home in the vicinity.

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

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 refund the estate of Mrs B the full cost of her funeral plan, which I understand to be £3850.

I acknowledge the strength of feeling Mrs B's family has regarding what happened, so I appreciate this will be disappointing news for the family. 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. But I do want to assure Miss B that I've read everything she's provided carefully, including the most recent information – her letter to the ombudsman.

Firstly, for completeness, I'll reiterate what our investigator has explained in detail 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 Mrs B in this case. The events complained of all happened after Mrs B died, so didn't affect her personally. I'm afraid that means I can't consider the impact of Co-op's actions on Mrs B's family. I appreciate this is an unsatisfactory position for Mrs B'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 B's family fell short of expectations and caused upset, stress and inconvenience at what was an already distressing and challenging time.

Miss B has said that the family had to pay nearly £1400 more for the services covered under Mrs B's plan with Co-op. They would like this money refunded. From what I've seen, Co-op would've been able to provide a funeral director reasonably local to Mrs B. Co-op agreed to waive its cancellation fee, which is what I would have directed, had Co-op not already made this offer. But I don't think Co-op should pay the difference in cost, following the family's decision to change providers. Returning the money paid for the unused plan is in line with the terms and conditions. I think the offer to refund Mrs B's estate £3850 is fair in the circumstances.

Putting things right

Co-op should now:

- Refund the estate of Mrs B £3850.
- In line with our usual approach, set out on our website, Co-op should add to that refund 8% per annum simple interest, from 5 June 2023 until the date the refund is made. I think this is a fair date from which to pay interest as this is the date Co-op was told the plan would not be used.

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 Co-op Funeral Plans Limited should settle this complaint as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 13 February 2024.

Jo Chilvers
Ombudsman