

The complaint

The estate of Mrs D complains that Dignity Funerals Limited failed to deliver Mrs D's pre-paid funeral plan as set out in her contract. It further complains about poor service and communication regarding Mrs D's ashes.

References to Dignity include the actions of its funeral directors, acting on its behalf to deliver the funeral plan.

The complaint is brought on behalf of the estate by Mrs D's daughter, Mrs S.

What happened

In 2006, Mrs D bought a bespoke pre-paid funeral plan from Dignity. The documents make it clear that Mrs D wanted to be embalmed and taken by hearse for cremation locally, but without a funeral service.

Sadly, in July 2023, Mrs D died. Mrs S made arrangements with Dignity, but after the cremation, Mrs S found a copy of Mrs D's plan and realised not all of her wishes had been fulfilled. Mrs S collected Mrs D's ashes, and family and friends gathered to say goodbye. The following day, Mrs S received a voicemail inviting her to collect Mrs D's ashes. Mrs S feels that Dignity wasn't honest with her when she called back in response to the voicemail. She lost faith in Dignity and was left in great distress, worrying that the ashes she'd received were not her mother's.

Mrs S complained. In response, Dignity acknowledged very regrettable errors had been made and that elements of the plan hadn't been delivered. It offered to refund the estate £631, the difference in cost of the unattended cremation Mrs D had received and the plan she'd paid for. Dignity also explained what had happened regarding the voicemail about Mrs D's ashes. It said this had resulted from an administrative error where the sign-out procedure for ashes was not followed correctly when Mrs D's remains were transferred from one funeral home to another for collection by Mrs S. Dignity offered its assurance that the ashes Mrs S received were, without doubt, her mother's. It also apologised for the errors made in delivering Mrs D's plan and offered Mrs S £350 compensation for the distress and inconvenience caused overall.

Mrs S brought the complaint to the Financial Ombudsman Service. Our investigator reviewed things. She explained she was unable to comment on Dignity's offer of compensation for distress and inconvenience, as our rules only allow us to award compensation to eligible complainants themselves, not their representatives. However, she was able to look at whether there'd been any loss of value in the plan. She concluded that Dignity's offer to refund £631 was fair.

Mrs S remained unhappy. She 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 think Dignity's offer is fair, so I'll be directing it to make the payment. I appreciate my decision will be unwelcome news to Mrs S and I'm sorry about that. I'll explain my reasons, focusing on the points and evidence I consider material to my decision.

Firstly, for completeness, I'll reiterate what our investigator has explained regarding our powers to award compensation. Our rules only allow us to award compensation to eligible complainants themselves – that's Mrs D in this case. The events complained of all happened after Mrs D died, so didn't affect her personally. I'm afraid that means I can't consider the impact of Dignity's actions on Mrs S. I appreciate this is an unsatisfactory position for Mrs S, but it's not something I can change. I do, nevertheless, accept that Dignity's dealings with Mrs S caused upset, distress and inconvenience at what was an already challenging time.

I can't comment any further on the compensation offer made to Mrs S. But I can look at whether Mrs D got the services she paid for. Dignity accept that she didn't and that this was a failure on its part. Mrs D's plan included, embalming and transfer by hearse for cremation locally. I understand Mrs S had said no to embalming when asked by the funeral arranger, before she'd seen Mrs D's plan and realised her mother had requested it. A hearse wasn't used to transfer Mrs D and she was cremated away from her home area.

I've thought carefully about whether Dignity's offer of £631 is reasonable. The cost of these elements wasn't specified on Mrs D's plan documentation. And even if it were possible to say what the separate charges would've been in 2006, when Mrs D bought her plan, I think it would be very difficult to put a value on the change of crematorium, because the impact of this is personal to Mrs S, who's been very distressed at her mother's wishes not being followed.

I'm aware Mrs S thinks the estate should be refunded the full cost of the funeral services provided by the funeral director. I've seen an invoice indicating this amounted to just under £3200. But my role here is to consider whether Dignity's offer of £631 reasonably reflects the cost of the elements in Mrs D's plan that weren't delivered. And thinking about the cost of those elements today, I'm satisfied Dignity's offer is fair. I should stress that this financial loss is separate from the impact of Dignity's failings on Mrs S, which is reflected in the compensation offer of £350.

Putting things right

To put things right Dignity should:

- Pay the estate of Mrs D £631 to reflect the diminution in value of Mrs D's plan.
- In line with our usual approach, set out on our website, Dignity should add to the payment 8% per annum simple interest, from the date of Mrs D's death – 12 July 2023 - 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 D's plan – commenced on the date of her death – was when the diminution in value began.

- If Dignity 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 Dignity Funerals Limited should put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs D to accept or reject my decision before 3 May 2024.

Jo Chilvers
Ombudsman