

## The complaint

Mrs B complains that she's unable to use the funeral director of her choice with her funeral plan. She's also unhappy about delays in receiving her welcome pack from Dignity Funerals Limited. If she's not able to use her local funeral director, Mrs B would like her money back.

## What happened

To summarise, in 2018, Mrs B bought a funeral plan from a company I'll call S. The plan cost £3200 and Mrs B paid upfront in full. When Mrs B 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). S 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.

Mrs B opted into the Dignity proposal in January 2023. However, there were problems in her receiving her welcome pack, prompting her to complain about the delay. In April 2023 Dignity issued a final response letter. It apologised for the length of time it was taking for Mrs B to receive her documents and acknowledged the delay was unacceptable. A further set of documents was requested with a latest delivery date in June 2023. The final response letter – sent to Mrs B's given address – told Mrs B she could refer her complaint to the Financial Ombudsman Service, but must do so within six months of the date of the letter.

In October 2023, Mrs B wrote to Dignity about a change of address. Dignity updated her details and wrote to Mrs B, explaining that the change of address prompted a change of nominated funeral director. The new funeral director was in a town approximately 16 miles away. Mrs B contacted Dignity, asking to use her local funeral director. Dignity responded, confirming that her local funeral director couldn't be contracted with to deliver her Dignity plan.

Mrs B complained. She didn't want to use Dignity's funeral director and either wanted to be able to use her local provider or get her money back. Dignity didn't uphold her complaint. It said it was only able to use funeral directors within its network and if Mrs B wished to use her own funeral director the plan would need to be cancelled. It also explained that it had yet to receive any money from S's administrators, so wasn't, at that time, able to provide any refund. If Mrs B wished to cancel, Dignity would contact her when it had more information about the refund available to her.

Mrs B remained unhappy, so came to the Financial Ombudsman Service. Our investigator said we weren't able to look into Mrs B's complaint about delays in receiving her welcome pack because Mrs B hadn't referred this complaint to us in time. And our investigator didn't uphold Mrs B's complaint about the choice of funeral director and refund arrangements.

Mrs B didn't accept our investigator's view, so the complaint has come to me for 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 Mrs B has strong feelings about what's happened and I acknowledge my decision will be unwelcome news for her. I'm sorry about that. I'll explain my reasons, focusing on the points and evidence I consider material to my decision.

Firstly, I'll explain a little more about why we can't look at Mrs B's complaint about the delay in receiving her welcome pack. I appreciate this is frustrating for her. But rules set by the FCA say that we can only look at complaints referred to us within six months of a business's final response letter. So we'd need to have received Mrs B's complaint by 11 October 2023. I'm aware Mrs B wrote to Dignity in early October about her change of address. And it was in response to this change that she found out she couldn't use her preferred funeral director, prompting her to complain again and ultimately come to this service. But as she didn't come to us until December 2023, more than six months after Dignity's first final response letter about the delays, I'm afraid I can only look at her complaint about the terms of her Dignity plan.

Unfortunately, when S left the funeral plans market and went into administration, Mrs B, like all S's customers, was put in an unenviable position with, through no fault of her own, very limited options. I acknowledge this has been a difficult and upsetting time for her. My role is to decide whether Dignity has acted fairly towards her.

Understandably, Mrs B wants the plan she paid for, with her funeral being provided by her local funeral director, known to her family. If she cannot have her preferred funeral director, she wants her money back. But Dignity is not responsible for Mrs B losing out here. Mrs B was let down by her original provider, S.

I appreciate that Mrs B didn't receive documentation about Dignity's full terms before she had to decide whether or not to opt into a Dignity plan, in January 2023. But Dignity's initial proposal letter did make it clear that she was being offered the opportunity to obtain an FCA-regulated plan that matched the plan she'd bought from S *as closely as possible*, at no additional cost to her.

Dignity operates with a network of funeral directors. The Dignity terms, that now form part of Mrs B's plan, explain that the plan will only cover the fees of a funeral director who is owned or approved by Dignity. Mrs B's preferred choice of funeral director is not part of Dignity's network. The terms also explain that if a customer wishes to use a non-Dignity funeral director, the plan will need to be cancelled.

Dignity's terms also say that Mrs B can cancel at any time without having to pay a cancellation fee. But where a plan was previously held by another provider, the refunded sum will be capped at the amount of money received by Dignity in relation to the plan. To date, Dignity hasn't had any payment from S's administrators in relation to any of S's customers' plans.

So overall, I don't think Dignity has acted unfairly in explaining to Mrs B that it cannot work with her preferred funeral director and that if she chooses to cancel, it will contact her when it has more information about any refund available. In the meantime, Mrs B still has funeral provision available from Dignity, albeit, I accept it's not as she would prefer.

### **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 Mrs B to accept or reject my decision before 10 May 2024.

Jo Chilvers  
**Ombudsman**