

The complaint

Mrs K complains that Golden Leaves Ltd mis-sold her a pre-paid funeral plan.

Mrs K's complaint was referred to us by a representative who I'll call Miss M.

What happened

To summarise, Mrs K bought a Golden Leaves Bronze funeral plan in 2013. The plan was sold to Mrs K by a third party. Mrs K can't read. She remembers the sale taking place over the phone. She was sent an application form to sign, and Miss M helped her with this. The agreement was for Mrs K to pay for the plan by fixed monthly payments of around £24. The base cost of the plan was £2,150.

Mrs K came away from the sale under the impression that she'd purchased a cremation funeral plan that met her needs, and she'd only need to pay off the base cost.

When Mrs K received an annual statement from Golden Leaves, her family reviewed this with her. They became concerned that Mrs K's plan had been mis-sold. They thought Mrs K had been tricked into buying a funeral plan that didn't include many of the costs of a funeral, such as crematorium fees. They also said Mrs K didn't know she would have to pay for the plan until the age of 90. They noted that she'd already paid more than the cost of the funeral. So, the family complained.

Golden Leaves didn't uphold the complaint. It said another organisation sold the plan. It explained how it thought the sale would have been conducted. It said once it received Mrs K's signed application form, it would have sent her plan paperwork so that she could check that everything was correct. It also said that if the funeral were to cost less than Mrs K has paid in, then any overpayments would be returned to her estate.

Miss M didn't think this was fair, so she referred Mrs K's complaint to the Financial Ombudsman.

Our investigator didn't think the complaint should be upheld. She thought Golden Leaves had acted fairly in providing clear information about the plan.

Miss M disagreed, 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.

I'm not upholding the complaint for broadly the same reasons as our investigator. I know this will be unwelcome news for Mrs K and Miss M and I'm sorry about that. I've explained my reasons why. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

Golden Leaves did not sell Mrs K her plan. The sale was conducted by a third party. I recognise that Miss M is very concerned about how the sale was carried out, given Mrs K's vulnerabilities. But I can't hold Golden Leaves responsible for the actions of the seller. I can only consider Golden Leaves' actions in my decision.

Mrs K's plan was sold before the pre-paid funeral plan industry became subject to compulsory regulation. So, I need to consider the complaint in line with the industry standards in place in 2013.

The voluntary code of practice from the time of sale required Golden Leaves to provide potential customers with written information which clearly set out, amongst other things, the services available, the costs, details of things that might not be covered under the plan, and cancellation rights.

The evidence from the sale comes from Mrs K and from the paperwork. I don't dispute the recollections from Mrs K – supported by Miss M – of what she understood to be the case at the time. But in terms of the obligations on Golden Leaves, as the plan provider and not as the seller, I have to take into account the application form that Mrs K signed, and the plan information Mrs K was sent shortly afterwards. I've reviewed these documents.

The application form shows that Mrs K selected the Bronze plan. The form clearly sets out the four available plans and what each one includes. Regarding the costs of crematorium fees, the form shows that the Bronze plan does not include disbursements, which the form defines as:

“A contribution towards Ministers & Doctors fees, Crematorium or Cemetery fees.”

This is further highlighted in a section called 'funeral details', where 'cremation' has been selected as the type of funeral. There's a note beside this that says only the Silver, Gold and Platinum plans include an allowance for disbursements for things like cremation fees and a service at a crematorium or cemetery.

I recognise Miss M's concerns that Mrs K was led into buying a funeral plan that didn't include all the costs of a funeral. Miss M has also said that Mrs K selected 'cremation' as the type of funeral she wanted, so Golden Leaves should have known that she wanted a plan that provided for this in full. But I'm satisfied the application form clearly set out what the Bronze plan included. It's standard industry practice for third-party costs like crematorium fees to come out of a disbursements allowance, and not all funeral plans include this. I'm satisfied that this was made clear.

Regarding payment terms, the application form says that monthly payments need to be made until the age of 90 or until death. It also includes information about what happens to any overpayments. I'm satisfied that this was clear as well.

Shortly after the sale, Mrs K was sent her plan summary and full terms. The first page of the plan summary confirms that Mrs K has bought the Bronze plan. It says the contribution to things like cremation fees is £0.00. And it says monthly payments are to be made until the age of 90 or until death. The second page lists in detail what is included in the plan. This was set out as I would expect, and in line with the code of practice in force at the time. I also note that Mrs K was afforded a cancellation period if she found that the plan did not meet her needs.

I recognise that Mrs K would not have been able to read the documents herself. But Golden Leaves has said it didn't know about this. I've seen no evidence to suggest otherwise. Miss M has said Mrs K would've told the seller. But I haven't seen any evidence to support this, or to show that the seller passed this on to Golden Leaves. So, it wouldn't be fair for me to say that Golden Leaves should have done something differently.

Mrs K was also able to consider the application form in her own time before she chose to sign it. Miss M helped Mrs K with this. Miss M has said that it wasn't her role to review the sale, and I appreciate that. But I'm satisfied that Mrs K had help available to read the form. The form contained what I consider to be clear information about the plan that Mrs K was buying, and Mrs K signed to enter into the agreement. So, I don't find that the plan was mis-sold.

I can appreciate Mrs K's concerns about the potential cost of her funeral plan as time goes on. But overall, I think the terms of the plan Mrs K took out are clear, and Golden Leaves is entitled to rely on them. So I'm not going to tell Golden Leaves to do anything more to resolve the complaint.

I know Mrs K and Miss M will be disappointed with my decision, but I hope it will help them to know that Mrs K's complaint has been reviewed by someone who is impartial and independent.

My final decision

For the reasons set out above, I don't uphold Mrs K's complaint about Golden Leaves Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 11 February 2025.

Chris Woolaway
Ombudsman