

The complaint

Mrs T's complained that Co-op Funeral Plans Limited cancelled her pre-paid funeral plan without her knowledge and refunded what she'd paid to her former partner.

What happened

Mrs T and her former partner each bought a pre-paid funeral plan towards the end of 2018. They paid in full.

In late 2024, Mrs T received a copy of their joint bank statement. This showed the cost of the plans had been refunded a couple of weeks previously. The money had already been withdrawn from the account by a series of cashpoint withdrawals.

Mrs T contacted Co-op to find out what had happened. Co-op told her her plan had been cancelled when they received a telephone call from someone who said they were Mrs T. They said this person – who was actually Mrs T's partner - passed their security checks. And the refund was made to an account in Mrs T's name. So they acted on the request and cancelled the plan.

Mrs T complained. Co-op said they'd done nothing wrong and she'd need to raise the issue with her partner and/or the police.

Mrs T wasn't satisfied with Co-op's response and brought her complaint to the Financial Ombudsman Service. Our investigator reviewed the available information and concluded Co-op needed to do more to resolve the complaint. He couldn't say Co-op should have handled the call any differently, because they'd conducted security checks, which had been passed. But he said they should have done more to confirm to Mrs T the plan had been cancelled.

He said it was reasonable to expect cancellation would have generated some correspondence to Mrs T – which would have alerted her to the cancellation. Based on Mrs T's prompt action when she found out what had happened, the investigator said it was reasonable to conclude she'd have acted with similar speed if she'd received cancellation correspondence. And in those circumstances, she could have prevented the refund being made. The investigator said that, to put things right, Co-op should reinstate Mrs T's plan at no further cost to her. Or, if they couldn't do that, they should set up a new plan on the same terms – again, at no cost to Mrs T.

Mrs T agreed with our investigator's view. Co-op responded saying they'd identified evidence which showed they'd written to Mrs T about the cancellation – but the evidence they supplied didn't show that was the case. Because the parties didn't reach an agreement, the complaint's been passed to me to make a 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 that, I'm upholding Mrs T's complaint. I'll explain why.

Mrs T's partner was able to cancel her plan by impersonating her and providing the right answers to the security questions Co-op asked. Like our investigator, I can't say Co-op should have handled that call differently. But I agree with him that they could have done more to inform Mrs T about the cancellation.

I've listened to the call that led to the plan being cancelled. At the end of the call, the call handler made the following two statements:

"...the amount will be with you within 30 days via bank transfer."

"You will receive confirmation of your cancellation within the next 7-10 working days."

It's clear from the recording that this part of the call was scripted. So I think it's reasonable to say it sets out how Co-op handles cancellations and refunds. And I think that, taken together, these statements set an expectation that it's most likely a customer will receive confirmation of the cancellation before they receive the refund.

Mrs T didn't receive confirmation of the cancellation, either within the timescale given, or after. Co-op did say confirmation was sent. But the screenshot they provided to support what they said clearly relates to a different customer, as the cancellation date is different by several months. So, on balance, I'm persuaded no written confirmation was sent to Mrs T.

Had she received confirmation her plan had been cancelled, I think it's likely Mrs T would have been able to prevent the cancellation and withdrawal of her funds from the joint account. I note that when she found out what had happened, she immediately contacted Co-op. So I think it's reasonable to conclude she would have acted with similar haste had she received a letter confirming cancellation of the plan. And, had she done that, Co-op would have been aware it wasn't her who'd requested cancellation – before the refund was made.

Putting things right

Our starting point for putting things right is to consider what the position would have been if nothing had gone wrong and look at how to put the customer back in that position. In this case, Mrs T would either still have her fully paid up funeral plan in place. Or she'd have received the refund.

I'm aware that Co-op did refund Mrs T's money to a joint account. But the statements she's provided show the full amount was withdrawn in a series of cashpoint transactions almost immediately it was paid. Mrs T said she wasn't aware the refund had been made until she received a bank statement. And her bank has confirmed they didn't issue her with a card for the account – so I don't think she could make withdrawals. And I'm persuaded she has neither a pre-paid funeral plan in place, nor the money she paid for one.

I've explained above why I think Co-op's failure to send a cancellation confirmation put Mrs T in her current position. I note that Co-op gave Mrs T the option to reinstate her plan when they addressed her complaint. I agree with our investigator that they should do this, at no cost to Mrs T. Or, if this is no longer possible, they offer her a new plan on a like-for-like basis – again at no cost to her.

I note Co-op's response to the complaint said they could add specific safeguarding notes to prevent anything similar happening in future. While I don't think it's appropriate for me to

direct they do this, I'd urge both parties to consider this option following the reinstatement of the plan.

My final decision

For the reasons I've explained, I'm upholding Mrs T's complaint about Co-op Funeral Plans Limited and directing Co-op to either:

- reinstate Mrs T's pre-paid funeral plan at no cost to her. Or, if this isn't possible
- offer Mrs T a new plan on a like-for-like basis, at no cost to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 9 July 2025.

Helen Stacey
Ombudsman