

The complaint

Mr F's complained that Golden Charter Limited have refused to refund the instalment payments he's made towards a pre-paid funeral plan.

What happened

Mr F bought a pre-paid funeral plan from Golden Charter in summer 2020. He chose to pay over 10 years using Golden Charter's low cost instalment option.

Since July 2022, providers of pre-paid funeral plans have had to be regulated by the Financial Conduct Authority.

Mr F's personal circumstances have now changed, meaning he no longer needs his plan. So, in early 2025, he contacted Golden Charter to request a refund. Golden Charter refused to refund him. They said the terms and conditions applicable to Mr F's plan said that no refund would be paid, but that what he'd paid would be held in trust until his death. At that point, it would be paid to the funeral director dealing with his funeral as a contribution to the cost.

Mr F wasn't happy with that position and complained to Golden Charter. Golden Charter didn't change what they'd said. So Mr F brought his complaint to the Financial Ombudsman Service. He told us that, now pre-paid funeral plans are regulated, he thought Golden Charter should apply their post-regulation approach, rather than the terms and conditions of his plan. And he said other providers give refunds – so Golden Charter should do the same.

Our investigator reviewed the information provided by both parties and concluded Golden Charter didn't need to do anything different to resolve the complaint. She said the requirements imposed on providers by regulation aren't retrospective – so Mr F's plan needed to be considered in light of the rules and standards in place in 2020. His plan set out what would happen in the event he wanted to cancel or stopped his payments and Golden Charter had dealt with him in line with the plan terms.

The investigator noted Mr F had suggested that Golden Charter hadn't complied with the Consumer Duty which has applied to all closed financial products since July 2024. But she said the duty doesn't override clear terms which were explained at the point of sale and applied fairly.

Mr F didn't accept the investigator's view. So I've been asked 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 not upholding Mr F's complaint. I'll explain why.

I can see Mr F thinks the contract he signed in 2020 has been rendered unfair by the changes made when pre-paid funeral plans became regulated. But, as our investigator

explained, the regulatory requirements brought in in 2022 weren't imposed retrospectively on existing plans. So the fair thing to do is to consider the terms and conditions of Mr F's plan.

The plan terms and conditions cover all the payment and cancellation options Golden Charter offered in 2020. Mr F selected the low cost instalment option. The relevant term says:

- *"Your plan cannot be cancelled after 12 months. If you stop paying after 12 months, your plan will remain in place and no refund will be made. When you die, the funeral director will receive all the money you have paid in, less a £249 administration fee, as a contribution towards your funeral"*

I think that term is clear. A copy of the terms was sent to Mr F in his welcome pack. And I've listened to the sales call in which this term was brought to his attention and Mr F confirmed he understood it. So I think Golden Charter took reasonable steps to make him aware of it.

Mr F doesn't dispute this is the case. But he says his circumstances have now changed so he should receive a refund. I don't agree that's the case. He made a contract with Golden Charter, the terms of which were made clear to him. I don't think Mr F's change of personal circumstances means I should say it's fair for Golden Charter to disregard their contract terms.

But I was concerned because the terms say that, when the money is paid out, it will be paid to a funeral director as a contribution towards the cost of a funeral. Mr F has said he won't have to pay for a funeral. So I wanted to check he wouldn't be disadvantaged if there are no funeral costs to contribute to.

Golden Charter have confirmed that the payments they receive are held in a trust which is separate from them. And they've said that, if it's not required for funeral costs, the money can be paid to Mr F's next of kin on production of a death certificate. So I'm satisfied that Mr F's circumstances won't mean the loss of what he's paid into the plan.

Mr F has also suggested that Golden Charter's stance means they haven't complied with the Consumer Duty in force. Again, I don't agree. The Consumer Duty only applies to closed products (those no longer available to purchase) from 31 July 2024 and isn't retrospective. So, in this case, it would apply only to Golden Charter's handling of the cancellation in early 2025, not to the sale in 2020.

The Consumer Duty requires businesses to

"...act to deliver good outcomes for retail customers."

That doesn't mean customers will always get their preferred outcome. Or that they shouldn't be responsible for deciding what products are right for them. Rather, the duty requires businesses to provide information clearly and accessibly to customers buying and using financial products.

Mr F hasn't specified what aspects of the Consumer Duty he thinks Golden Charter haven't met. But, having reviewed the information he was provided with, I've not been able to identify any area where I think Golden Charter haven't complied with the Duty. They've followed the process set out in their contract documentation – which I've already said I think was clear. And, while Mr F has said other providers offer more favourable refund arrangements, that doesn't make Golden Charter's terms inherently unfair.

And so, for the reasons I've set out above, I don't think Golden Charter need to do any more to resolve Mr F's complaint.

My final decision

For the reasons I've explained, I'm not upholding Mr F's complaint about Golden Charter Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 July 2025.

Helen Stacey
Ombudsman