

The complaint

Mr B is unhappy that his pre-paid funeral plan provider, Golden Charter Limited, won't appoint his preferred funeral director to carry out his funeral. He's also unhappy that if he were to cancel his plan, Golden Charter would refund him less than he paid.

What happened

In 2007, Mr B paid £4,118 in full for a pre-paid funeral plan with Golden Charter.

His preferred funeral director later ceased trading and was taken over by another firm. Mr B wanted a different funeral director, "T", to conduct his funeral. He already had a burial plot in T's cemetery and knew their staff. Golden Charter refused this request because T wasn't one of its approved funeral directors.

Mr B complained to Golden Charter and said he should be able to choose who conducts his funeral and T was willing to accept the plan. He asked how much he'd get back if he cancelled, and Golden Charter told him £3,963 – the amount he'd paid less a £155 fee. Mr B said this was unfair as Golden Charter had held his money for many years and had benefited from its growth.

Golden Charter didn't uphold the complaint. It said plan money is held in trust and any growth is used to cover guaranteed funeral director costs and to increase the allowance for third-party disbursements. It confirmed there's no entitlement to share in this growth upon cancellation, as the plan isn't an investment product. And it didn't change its stance on T.

Mr B remained unhappy and referred the matter to the Financial Ombudsman Service.

Our investigator looked into what happened but didn't think the complaint should be upheld. He said the plan terms allow Golden Charter to choose which funeral directors it approves, and that refunds are limited to the amount paid in, less the administration fee.

Mr B didn't agree. He said it was reasonable for him to choose T, and unfair that Golden Charter had benefited from the growth of his money without sharing this with him if he cancels. He felt Golden Charter had communicated poorly with him and he was worried that if no funeral director could be agreed, Golden Charter might cancel his plan.

As Mr B didn't agree with our investigator's view, the complaint has been passed to me to make 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've decided not to uphold the complaint. I know this will be disappointing for Mr B and I'm sorry to bring him unwelcome news. I'm grateful to him for setting out his

position so cogently, and I recognise his strength of feeling. But I'm satisfied Golden Charter has acted fairly.

I've explained my reasons below. If I haven't commented on a specific point, it's because I don't feel it affects what I consider to be the right outcome.

Appointing T as the nominated funeral director

When Mr B purchased his plan in 2007, he was confident in the funeral director he'd chosen. When that funeral director ceased trading, and another firm took them over, Mr B needed to pick another funeral director. I understand why Mr B would prefer T to carry out his funeral – he has a plot in their cemetery and trusts their staff. T have also said they would accept Mr B's plan and deliver the funeral.

However, I've checked Mr B's plan terms and they're clear the "Selected Funeral Director" must be one of Golden Charter's appointed funeral directors. Golden Charter has provided evidence to confirm that T isn't on that list. So, while Mr B was entitled to ask Golden Charter to appoint a funeral director of his choosing, Golden Charter was contractually entitled to refuse Mr B's request.

I've gone on to consider whether it's fair for Golden Charter to rely on this restriction.

Pre-paid funeral plan providers like Golden Charter are required to ensure their appointed funeral directors meet certain regulatory standards. The funeral plan providers are largely responsible if things go wrong and must work closely with chosen funeral directors. While I'm certainly not questioning T's competence, appointing a funeral director is an important commercial decision that Golden Charter is entitled to make. So, I don't think it would be fair for me to order Golden Charter to contract with a firm it has chosen not to work with.

It's also standard industry practice for plan providers to be selective with the funeral directors they appoint, so I don't think Mr B has been treated unfairly or singled out.

With the above in mind, I find Golden Charter has acted fairly in declining Mr B's request to appoint T.

I know Mr B is concerned Golden Charter may cancel his plan if an agreement isn't reached. I can't make findings on events that haven't happened yet, but I've seen emails from March 2025 to show Golden Charter is prepared to discuss alternative funeral directors with Mr B. If Mr B decides to keep his plan, I would suggest he and Golden Charter continue to discuss suitable funeral directors, as this is the only way an agreement can be reached.

Plan growth

Mr B feels it's unfair that if he cancels his plan, he'll only receive back what he paid (less a fee), even though Golden Charter has held his money since 2007. I can see why this feels one-sided. But the plan isn't an investment product. Instead, the money is placed in trust and any growth is used to meet the rising cost of funeral services, which Mr B's plan guarantees. Mr B's disbursement allowance has also increased since 2007.

So, while there's no refund of any growth upon cancellation, if Mr B's funeral were purchased at the time of need, it would almost certainly cost more than Mr B paid for his plan. So, Mr B's estate will benefit from the 'growth' in the money Mr B paid to Golden Charter if the plan remains in place.

I recognise this leaves Mr B in an unfortunate position where he needs to make a difficult choice. But I've carefully reviewed his plan terms and there's no provision for refunds above

the amount originally paid. The refund amount Golden Charter quoted was correct and in line with the contract the parties agreed to – and with standard industry practice. So, I find Golden Charter's position fair and reasonable in respect of a refund upon cancellation.

Communication

Mr B is unhappy that he didn't receive Golden Charter's letter about the takeover of his original funeral director. He also says it would have been helpful if Golden Charter had provided a list of approved local directors. Golden Charter explained that there were postal problems and went on to re-send the letter.

I acknowledge the inconvenience caused here. But Mr B had already been informed by his funeral director that they were going to cease trading and be taken over, so I don't think the outcome would have been meaningfully different even if the letter had arrived sooner. I also don't think Golden Charter offering a list of alternatives would have made a meaningful difference. I say this because Mr B's wish throughout has been to appoint T, which Golden Charter won't agree to – so I think it's likely the dispute would have taken the same course.

Having listened to calls between Mr B and Golden Charter and considered the evidence overall, I haven't found reason to say Golden Charter has communicated unfairly or unreasonably with Mr B. So, I don't think it would be fair to award any compensation.

Conclusion

With the above in mind, I find Golden Charter was entitled to refuse Mr B's request to appoint T, and its quotation for a cancellation refund was accurate. I also find Golden Charter has communicated fairly and reasonably with Mr B overall. Therefore, I have found no reason to require Golden Charter to take further action in respect of this complaint.

Once again, I'm sorry to bring Mr B unwelcome news. I hope he and Golden Charter can agree a funeral director if Mr B wishes to keep the plan in place.

My final decision

I do not uphold Mr B's complaint. I make no award against Golden Charter Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 September 2025.

Chris Woolaway
Ombudsman