

The complaint

Mrs H has complained that Dignity Funerals Limited have acted unfairly, because they didn't include the extras she'd paid for when they offered to match the pre-paid funeral plan she'd bought from a previous provider.

What happened

In late 2019, Mrs H bought a funeral plan from a provider I'll call P. She paid for the plan in full. And she paid an extra £500 to replace the coffin included in the plan with a wicker one.

From 29 July 2022, any provider selling pre-paid funeral plans had to be regulated by the Financial Conduct Authority (FCA). P didn't become regulated. This meant they could no longer provide Mr L's plan. P reached an agreement with Dignity, under which Dignity would offer P's customers the option to obtain a plan from a regulated provider, at the price the customer had agreed with P. Dignity wrote to Mrs H with this offer in October 2022. Their letter said:

"...We are therefore offering you the opportunity to obtain an FCA-regulated Dignity Funeral Plan that matches the plan you purchased with [P] as closely as possible...."

Mrs H accepted Dignity's offer. Dignity confirmed the successful transfer in early November 2022 and that her plan details would follow.

At some point following the transfer, Dignity wrote to Mrs H to tell her they'd substituted the model of coffin included in the plan for another. When Mrs H received this letter from Dignity, she wrote to Dignity objecting to them changing her plan without her permission. And she pointed out her plan with P had included a wicker coffin and that was what she wanted. Dignity responded, saying they couldn't add a wicker coffin to her plan at that time. Despite following this up several times, Mrs H heard nothing further. So she complained to Dignity, saying she wanted a refund of everything she'd paid P.

In their response, Dignity said that Mrs H had paid the additional amount for the wicker coffin to P, not to them. And they'd not been advised by P that Mrs H had bought anything above the standard plan. And they declined to refund Mrs H any money, as they'd not received anything from P themselves.

Mrs H wasn't satisfied with Dignity's response and brought her complaint to the Financial Ombudsman Service. Our investigator reviewed the information provided by both parties and concluded it was reasonable for Dignity only to match Mrs H's basic plan – not any additions she'd paid for. She noted Dignity hadn't received any money from P – so she couldn't say Dignity should refund her anything. But she did say that Dignity should allow Mrs H to upgrade her coffin for £350 – the difference in price between the coffin she wants and the one included in her plan.

I didn't agree with the investigator's view. So I made a provisional decision. I said:

"I'm aware that Dignity stepped in to offer an alternative funeral to P's customers after P withdrew from the market. They did this at no additional cost to those customers. As things

stand, Dignity are obliged to provide Mrs H with a funeral - should one be needed – even though they've had no money from P. So, while I appreciate Mrs H wants a refund of what she's paid, that's not something I can direct, because I can't fairly say Dignity should refund money they've not received themselves.

What I can look at is the issue about the type of coffin the Dignity plan provides. It's not the type of coffin Mrs H wants – and for which she paid an additional £500 to P. Dignity's

position is that their offer extended only to matching the base plan bought by P's customers – not to any additional items they bought. I've thought carefully about this.

I think it's reasonable to expect Dignity to have given P's customers enough information to make an informed choice about whether they wanted to accept Dignity's offer of an alternative plan. I don't think they did that in Mrs H's case.

I've quoted above from the offer letter. In the absence of any clarification about what was included, I think the words "as closely as possible" suggest Dignity will match the plan in all key respects – including those that the customer paid extra for. So I think it was reasonable for Mrs H to assume this included her wicker coffin.

Dignity have told us P didn't send them a breakdown of what Mrs H had paid. I accept that's the case. But the documents I've seen include an email exchange between Dignity and P in 2022, in which Dignity asked P if they'd received plans which included additional items. P confirmed they had. I think this put Dignity on notice about the position of customers such as Mrs H.

And I've seen that Mrs H shared the details of her previous plan with Dignity himself when she received her new Dignity plan. These clearly showed that she wanted – and had paid for – a wicker coffin. Mrs H has also provided copies of her correspondence with Dignity. Dignity's initial response said:

"At present, we are unable to change the coffin in your plan at the moment but we are hoping to be able to do this very soon."

It gave no indication that they would only do this if Mrs H made a further payment. I don't think that's fair."

I provisionally decided that, to put things right, Dignity should substitute a wicker coffin for the coffin included in Mrs H's plan, at no cost to her. And they should reissue her plan documents recording the change, or provide other written confirmation that a wicker coffin should be provided at the time of need. Finally, I said they should pay Mrs H £200 compensation in respect of their failure to communicate with Mrs H about this issue over a considerable length of time.

Both parties have now commented on my provisional decision. So the complaint's been returned 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 that, I'm upholding Mrs H's complaint for the reasons I set out in my provisional decision and which are set out above.

Mrs H confirmed she accepted my provisional decision without making any further comment.

Dignity have referred me to their exchanges with Mrs H following the transfer of the plan, which referred, firstly to Dignity changing the coffin included in Mrs H's plan and, after that, to confirming the type of coffin included and the possibility of changing it.

I've considered those exchanges. The coffin Dignity included in Mrs H's replacement plan was identified by its model name, not by type – so I see no reason why Mrs H would have known at that point it wasn't the wicker coffin she'd paid for. I can see that, when Dignity advised her that they were changing the coffin included in the plan, Mrs H responded that she'd not requested any change, and confirmed she wanted to be buried in a wicker coffin.

But I don't think Dignity's reply to that email was clear. It says:

“At present, we are unable to change the coffin in your plan at the moment but we are hoping to be able to do this soon...I can confirm however, that I will raise this to our necessary department and will review and provide you with an update as to when if we are able add the wicker coffin onto your plan.”

This message doesn't answer Mrs H's concern about the coffin allocated to her plan, nor does it tell her Dignity won't substitute a wicker coffin without payment. And it doesn't address what I said in my provisional decision about Dignity not providing Mrs H with the information she needed to make an informed choice. So I'm not persuaded that I should change what I said in my provisional decision.

Putting things right

As I said in my provisional decision, I think it was reasonable for Mrs H to assume that matching her previous plan “as closely as possible” would include matching the coffin she'd paid P an additional amount for. The evidence Dignity provided in response to my provisional decision hasn't persuaded me that they told Mrs H they didn't intend to match additional items until early 2025 – more than two years after Mrs H accepted their offer of an alternative plan.

Without any indication from Dignity of the limits of their offer to match her plan, I think it's reasonable to say Mrs H's expectation regarding the matching of her coffin should be met. So I'm directing Dignity to substitute the coffin included in Mrs H's plan for a wicker coffin, at no extra cost to her. And they should either confirm this to her in writing, or should re-issue her plan documents to show that a wicker coffin will be provided.

And it remains my view that Dignity should recognise the stress their failure to communicate with Mrs H about this issue over a considerable period of time has caused her by paying Mrs H £200 compensation.

My final decision

For the reasons I've explained, I'm upholding Mrs H's complaint about Dignity Funerals Limited and directing Dignity to:

- substitute a wicker coffin for the coffin included in Mrs H's plan, at no cost to her;
- reissue her plan documents recording the change, or provide other written confirmation that a wicker coffin will be provided at the time of need; and
- pay Mrs H £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 September 2025.

Helen Stacey
Ombudsman