

The complaint

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

What happened

In late 2019, Mr H bought a funeral plan from a provider I'll call P. He paid for the plan in full. And he 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 Mr 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...."

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

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

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

Mr H wasn't satisfied with Dignity's response and brought his 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 Mr H's basic plan – not any additions he'd paid for. She noted Dignity hadn't received any money from P – so she couldn't say Dignity should refund him anything. But she did say that Dignity should allow Mr H to upgrade his coffin for £350 – the difference in price between the coffin he wants and the one included in his 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 Mr H with a funeral - should one be needed – even though they've had no money from P. So, while I appreciate Mr H wants a refund of what he'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 Mr H wants – and for which he 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 Mr 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 Mr H to assume this included his wicker coffin.

Dignity have told us P didn't send them a breakdown of what Mr H had paid. I accept that's the case. But the documents I've seen include an email exchange between Dignity and P in late 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 Mr H.

And I've seen that Mr H shared the details of his previous plan with Dignity himself when he received his new Dignity plan. These clearly showed that he wanted – and had paid for – a wicker coffin. Mr H has also provided copies of his 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 Mr 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 Mr H's plan, at no cost to him. And they should reissue his 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 Mr H £200 compensation in respect of their failure to communicate with Mr 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 Mr H's complaint for the reasons I set out in my provisional decision and which are set out above.

Mr H confirmed he accepted my provisional decision without making any further comment.

Dignity have referred me to their exchanges with Mr H following the transfer of the plan, which referred, firstly to Dignity changing the coffin included in Mr 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 Mr H's replacement plan was identified by its model name, not by type – so I see no reason why Mr H would have known at that point it wasn't the wicker coffin he'd paid for. I can see that, when Dignity advised him that they were changing the coffin included in the plan, Mr H responded that he'd not requested any change, and confirmed he 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 Mr H's concern about the coffin allocated to his plan, nor does it tell him 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 Mr H with the information he 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 Mr H to assume that matching his previous plan “as closely as possible” would include matching the coffin he'd paid P an additional amount for. The evidence Dignity provided in response to my provisional decision hasn't persuaded me that they told Mr H they didn't intend to match additional items until early 2025 – more than two years after Mr H accepted their offer of an alternative plan.

Without any indication from Dignity of the limits of their offer to match his plan, I think it's reasonable to say Mr H's expectation regarding the matching of his coffin should be met. So I'm directing Dignity to substitute the coffin included in Mr H's plan for a wicker coffin, at no extra cost to him. And they should either confirm this to him in writing, or should re-issue his 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 Mr H about this issue over a considerable period of time has caused him by paying Mr H £200 compensation.

My final decision

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

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

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

Helen Stacey
Ombudsman