

The complaint

Mrs B's complained – in her capacity as executor of her late mother, Mrs C's estate – that Dignity Funerals Limited have failed to refund the cost of Mrs C's pre-paid funeral plan to her estate.

Mrs B is herself represented by her husband, Mr B, in this complaint.

What happened

In early 2022, Mrs C bought a pre-paid funeral plan costing £3,645 from a company I'll call P. She paid the full cost upfront.

Since 29 July 2022, all providers of pre-paid funeral plans have had to be regulated by the Financial Conduct Authority (FCA). This meant providers who had sold plans before this date had to apply to the FCA for authorisation, withdraw from the market and transfer their plans to an authorised provider, or refund its customers.

P wasn't authorised by the FCA. So it negotiated with Dignity for Dignity to offer its plan holders alternative arrangements at no additional cost to them. Mrs C had a Dignity plan from March 2023. P subsequently went into administration.

Mrs C sadly died in November that year and Mr and Mrs B contacted Dignity's funeral director about the funeral arrangements. They explained that, due to their family situation, they didn't want to have the funeral Mrs C had arranged, but wanted an unattended cremation instead, and to have a separate commemoration/memorial at a later date. The funeral director advised them the best course of action was to cancel the pre-paid plan and pay for a separate cremation from their own funds.

Mr B called Dignity to cancel the plan. Dignity told him that, because P was in administration, they hadn't received any funds to make a refund to the estate. But they would do so when they were received.

Mr B accepted this at the time. But he and Mrs B still haven't received any refund. So they complained to Dignity. Dignity replied, saying they hadn't received funds from P and had no timescale for when they may be received.

Mr and Mrs B weren't satisfied with Dignity's response and brought the estate's complaint to the Financial Ombudsman Service. Our investigator reviewed the information provided by both parties and concluded Dignity didn't need to do anything different to resolve the complaint. While she recognised the length of time the matter had been ongoing, she noted Dignity's terms and conditions limit the amount of any refund to what has been received by Dignity from a previous provider like P. So she couldn't fairly say they should make a refund to the estate.

Mr and Mrs B confirmed the estate didn't agree with 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 the estate's complaint. I'll explain why.

In relation to cancellation of a plan which was previously held by another provider, Dignity's terms and conditions say:

"...For the avoidance of doubt, where your plan was previously held by another provider, the refunded sum shall be capped at the amount of money received by us in relation to the plan from your previous provider and any subsequent payments made directly from you to us."

In this case, Dignity haven't yet received anything from P. So I can't reasonably say they should refund the estate what P was paid by Mrs C.

Mr and Mrs B have said that the advice to cancel the plan and pay for an unattended cremation was poor and has left the estate out of pocket. They've said that, if they'd known it would take this long to get a refund, they would have used the plan. I've thought carefully about this.

I've listened to the call Mr B made to Dignity about cancelling the plan. He checked whether there would be any deductions made from what Dignity receive from P. And he specifically asked if Dignity would get back everything Mrs C paid P. The call handler said they *"would like to think so"* but they couldn't say that would definitely happen. Having been given that information, Mr B continued to cancel the plan.

I know how frustrating this situation is for Mr and Mrs B. But I can only say Dignity should do more than they have to resolve the estate's complaint if I'm satisfied they did something wrong. That's not the case here, because they made clear to Mr B he wouldn't get a refund until they'd received money from P. And they couldn't be certain that would be for the full amount Mrs C had paid. In the absence of any misleading information being provided by Dignity, I can't say they're responsible for Mr and Mrs B's decision to cancel the plan.

I know this decision isn't the answer to the estate's complaint Mr and Mrs B were hoping for. I'd expect Dignity to account promptly to them for any money they do receive from P. But, for the reasons I've explained, I don't think they need to any more at this time to resolve the estate's complaint.

My final decision

For the reasons I've explained, I'm not upholding the complaint Mr and Mrs B have made on behalf of the late Mrs C's estate about Dignity Funerals Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 26 November 2025.

Helen Stacey
Ombudsman