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31 August 2021

By email: cp21-20@fca.org.uk

Dear Sir / Madam,

**Financial Services Consumer Panel response to the FCA's consultation on the Regulation of Funeral Plans: Further proposals.**

The Consumer Panel welcomes the FCA's further CP21/20 proposals and objectives re the regulation of funeral plans and specifically the safeguarding of consumers should a regulated funeral plan provider fail. This response builds on our response to that we made to CP21/4- Funeral Plans: Proposed approach to regulation.

The Consumer Panel agrees with resolution proposals and believes that in the event of firm failure, wherever possible an alternative regulated funeral plan provider should be appointed with the customer or their representatives receiving a service equivalent to that purchased or a level of reimbursement that enables them to secure this.

Due to the sensitive nature of, together with vulnerability that results from bereavement the Consumer Panel wish to additionally highlight.

- The need for urgency of redress, particularly to ensure that those that have passed away receive a Funeral without delay.
- The importance of the FSCS being clear about the options available to consumers, and that consumers are communicated empathetically and transparently throughout the process of receiving redress. The options available to consumers should depend on what would be most practical and cost-efficient, given the circumstances.
- FCA should review and consider the need to provide specific Funeral Plan Guidance to Insolvency Practitioners to ensure that customer vulnerability and support needs were recognised and managed empathetically.
- The Covid-19 pandemic has underscored the need to plan for extreme events and as such the risk of widespread firm failure and the sustainability of FSCS redress funding should be considered.

Our responses to the questions posed in the consultation are included at Annex 1 below.

Yours sincerely,

Wanda Goldwag

Chair, Financial Services Consumer Panel

## **Annex 1**

### **Question 1**

#### **Do you agree with our resolution proposals?**

Yes.

The Consumer Panel agrees with resolution proposals and believes that in the event of firm failure, wherever possible an alternative regulated funeral plan provider should be appointed with the customer or their representatives receiving a service equivalent to that purchased or a level of reimbursement that enables them to secure this.

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### **Question 2**

#### **Do you agree with our proposals to allow the FSCS secure continuity of funeral plan contracts and pay compensation?**

Yes.

### **Question 3**

#### **Do you agree with our proposals regarding FSCS recoveries?**

Yes.

### **Question 4**

#### **Do you agree with our further proposals regarding the FSCS?**

Yes.

### **Question 5**

#### **Do you agree with our structure proposals?**

Yes.

### **Question 6**

#### **Do you agree with our additional proposals?**

Yes.

**Question 7**

**Do you have any comments on our cost benefit analysis?**

No additional comments.