

Chapter 14

Funeral plan redemption



14.1 Application and purpose

Application

- 14.1.1 **R** (1) This chapter applies to a *funeral plan provider* in relation to the activity of *carrying out a funeral plan contract*.
- (2) This chapter applies in relation to *subsisting funeral plans* unless compliance would be contrary to a term of the *subsisting funeral plan* agreed with the *customer* prior to 29 July 2022.

Purpose

- 14.1.2 **G** This chapter concerns the conduct of a *funeral plan provider* in relation to the redemption of a *funeral plan contract* upon the death of the *covered individual*.

Redemption

- 14.1.3 **R** A *funeral plan provider* must:
- (1) handle the redemption of a *funeral plan* promptly and fairly;
 - (2) provide reasonable guidance and appropriate information to help a *customer* or a nominated representative to make arrangements, in accordance with the *funeral plan contract*; and
 - (3) not unreasonably reject a request to redeem a *funeral plan* (including by cancelling a *funeral plan contract*).

Services required for the funeral plan contract

- 14.1.4 **R** Upon notification of the *covered individual's* death, the *funeral plan provider* must ensure that the services required for the *funeral plan contract* are delivered:
- (1) to a satisfactory quality and standard by the appointed funeral services provider, or if that funeral services provider is unable to provide the required services, appoint another funeral services provider at no additional cost to the *customer* or *covered individual's* estate; and
 - (2) in a timely manner,
- in accordance with the terms of the *funeral plan contract*.

14.1.5 **G** In relation to ■ FPCOB 14.1.4R, where a *firm* uses outsourcing arrangements to fulfil this obligation, it retains the regulatory responsibility for achieving the required outcome (■ FPCOB 2.1.5G).

14.1.6 **R** Other than as set out in ■ FPCOB 14.1.7R, a *firm* must not seek or obtain further payments from the *customer* or from the *covered individual's* estate to secure the funeral services as set out in the *funeral plan contract*.

Outstanding payments

14.1.7 **R** If upon the *covered individual's* death, further payments are due to the *firm* under the *funeral plan contract*, the *firm* must inform the *customer* and *covered individual's* estate within 24 hours of receiving notification of the *covered individual's* death of the following matters:

- (1) that further payments are due to the *firm* under the *funeral plan contract*;
- (2) the sums received under the *funeral plan contract*; and
- (3) the amount of the shortfall.

14.1.8 **R** ■ FPCOB 14.1.7R does not apply where the effect of ■ FPCOB 7.2.1R is that a funeral will be provided on the death of the *covered individual* even where payments are outstanding under an *instalment payment funeral plan contract*.