

Chapter 6

Information about the firm and its services

6.5 Payments to funeral plan intermediaries

Application

6.5.1 **R** This section applies to a *funeral plan provider*.

Requirement not to offer commissions

6.5.2 **R** A *firm* must not offer or pay (and must ensure that none of its *associates* offers or pays) any commissions, *remuneration* or benefit of any kind to:

- (1) another *firm* in connection with that *firm's* business of engaging in *funeral plan distribution*;
- (2) another *person* in connection with:
 - that *person's* business of engaging in *funeral plan distribution*:
 - (i) for which it does not require *authorisation*; or
 - (ii) which it carries on in breach of the *general prohibition*;
 - business of that *person* which would involve engaging in *funeral plan distribution* but for an exclusion in the *Regulated Activities Order*;
- (c) that *person's* business of introducing *customers* to another *person* in relation to *funeral plan contracts*;
- (3) a *person* in (1) or (2) in relation to any related services; or
- (4) any third party for the benefit of a *person*, and in the circumstances described, in (1) to (3),

except as provided in this section.

6.5.3 **R** ■ FPCOB 6.5.2R does not apply to training or support which meet the requirements of ■ FPCOB 6.4.14R and ■ FPCOB 6.4.15R.

6.5.4 **G** ■ FPCOB 6.5.2R prevents a *funeral plan provider* from making payments, or offering benefits, to *persons* involved in distributing the *firm's funeral plan contracts*. This includes payments made, or benefits offered, to a *firm's appointed representatives*.

6.5.5

R

■ FPCOB 6.5.2R does not prevent a *funeral plan provider* from making payments to a *person* merely to *communicate a financial promotion*.

Payments to employees

6.5.6

G

(1) The *rules* in this section do not apply to payments made by *firms* to their *employees* in relation to sales activity.

(2) *Firms* should refer to ■ SYSC 19F and the *FCA's final guidance, 'Risks to customers from financial incentives'* (January 2013) when considering the structure of any incentive schemes for their *employees*.

[**Note:** see <https://www.fca.org.uk/publication/finalised-guidance/fsa-fg13-01.pdf>]