

Chapter 8

Identifying client needs and advising

8.2 Demands and needs

8.2.1 **R** The sale of a *funeral plan contract* must always be accompanied by a demands and needs test.

Demands and needs test

8.2.2 **R** (1) Prior to the conclusion of a *funeral plan contract*, a *firm* must identify, on the basis of information obtained from the *customer* and other sources where relevant, the demands and the needs of that *customer*.

(2) When proposing a *funeral plan contract*, a *firm* must ensure it is consistent with the *customer's* demands and needs.

(3) A statement of the demands and needs must be communicated to the *customer* prior to the *customer* entering into a *funeral plan contract*.

8.2.3 **G** A *firm* may obtain information from the *customer* in a number of ways including, for example, by asking the *customer* questions in person or by way of a questionnaire prior to any *funeral plan contract* being proposed.

8.2.4 **G** ■ FPCOB 8.2.2R(2) applies whether or not advice is given and in the same way regardless of whether that contract is sold on its own, or in connection with other goods or services.

8.2.5 **R** In determining whether a *funeral plan contract* is consistent with the *customer's* demands and needs, a *firm* must consider, amongst other things:

(1) whether any *person* has already made provision for the covered *individual's* funeral; and

(2) the length of the *moratorium period* during which the contracted funeral will not be provided.