

Chapter 8

Identifying client needs and advising

8.4 Advised sales

Application

- 8.4.1 **R** This section applies to a *firm* that provides *advice on investments* where that advice relates to a *funeral plan contract*.

Suitability of advice

- 8.4.2 **R** A *firm* must take reasonable care to ensure the suitability of its advice for any *customer* who is entitled to rely upon its judgement.

Suitability guidance

- 8.4.3 **G**
- (1) In taking reasonable care to ensure the suitability of advice on a *funeral plan contract*, a *firm* should:
 - (a) establish the *customer's* demands and needs by using information readily available to the *firm* and by obtaining further relevant information from the *customer*, including details of existing alternative arrangements by which the *customer* may reasonably fund the cost of the funeral in question. For example, this could include insurance products, investments, or cash savings, or where the *customer* has already made provision for the *customer* or *covered individual's* funeral;
 - (b) take reasonable care to ensure that a *funeral plan* is suitable for the *customer's* demands and needs, taking into account its level of cover and cost, the duration of instalment payments, and relevant exclusions, limitations and conditions; and
 - (c) inform the *customer* of any demands and needs that are not met.

Personal recommendations

- 8.4.4 **R**
- (1) This *rule* applies to a *firm* that provides a *customer* with a *personal recommendation* in relation to a *funeral plan contract*.
 - (2) The *personal recommendation* must be provided:
 - (a) on the basis of a fair and personal analysis;
 - (b) in accordance with professional criteria, regarding which *funeral plan contract* would be adequate to meet the *customer's* needs; and
 - (c) unless (3) applies, on the basis of an analysis of a sufficiently large number of *funeral plans* available on the market.

(3) If the *firm's personal recommendation* will not be provided in compliance with ■ FPCOB 8.4.4R(2)(c), the *firm* must disclose this fact and the scope of the analysis that will form the basis of its *personal recommendation* to the *customer* in good time before the provision of the *personal recommendation*.

Personalised explanation

8.4.5

R

Where a *firm* provides a *personal recommendation*, the *firm* must, in addition to the statement of demands and needs, provide the *customer* with a personalised explanation of why a particular *funeral plan contract* would best meet the *customer's* demands and needs.

Means of communication

8.4.6

R

A *firm* must provide the information in this section in accordance with ■ FPCOB 6.2 (Means of communication to customers).