

## Chapter 9

# Product information

## 9.2 Providing product information to customers: general

### Ensuring customers can make an informed decision: the appropriate information rule

- 9.2.1 **R** (1) A *firm* must ensure that a *customer* is given appropriate information about a *funeral plan contract* in good time before the conclusion of the contract and at relevant times thereafter, in a comprehensible form so that the *customer* can make an informed decision about the arrangements proposed.
- (2) The information must be provided to the *customer*:
- (a) whether or not a *personal recommendation* is given; and
  - (b) irrespective of whether a *funeral plan* is offered as part of a package with another product or service.
- (3) The information to be provided under this *rule* must include the full terms of the *funeral plan contract*.

- 9.2.2 **G** The appropriate information *rule* applies:
- (1) at all of the different stages of a contract and includes pre-conclusion and post-conclusion information, and also when post-contractual changes are proposed;
  - (2) in the same way to any *funeral plan*, regardless of whether that *funeral plan* is sold on its own, or in connection with other goods or services; and
  - (3) to the price of the *funeral plan*.

### What level of information needs to be provided?

- 9.2.3 **G** The level of information required will vary according to matters such as:
- (1) the knowledge, experience and ability of a typical *customer* for the *funeral plan*;
  - (2) the terms of the *funeral plan contract*, including its main benefits, exclusions, limitations, conditions and its duration;
  - (3) whether the *funeral plan* is bought in connection with another product or service; and

- (4) distance communication information requirements (for example, under the distance communication *rules*, less information can be given during certain telephone sales than in a sale made purely by written correspondence (see ■ FPCOB 5.1.14R (exception: telephone calls)).

9.2.4 **G** Cancellation rights do not affect what information it is appropriate to give to a *customer* to enable them to make an informed purchasing decision.

**Oral sales: ensuring customers can make an informed decision**

9.2.5 **R** (1) If a *firm* provides information orally during a sales dialogue with a *customer* on a main characteristic of a *funeral plan*, it must do so for all the *funeral plan's* main characteristics.

(2) A *firm* must take reasonable steps to ensure that the information provided orally is sufficient to enable the *customer* to take an informed decision on the basis of that information, without overloading the *customer* or obscuring other parts of the information.

9.2.6 **G** (1) A *funeral plan's* main characteristics include its significant benefits, its significant exclusions and limitations, its duration (if applicable) and price information.

(2) A significant exclusion or limitation is one that would tend to affect the decision of *customers* generally to buy a *funeral plan*. In determining what exclusions or limitations are significant, a *firm* should particularly consider the exclusions or limitations that relate to the significant features and benefits of a *funeral plan* and factors which may have an adverse effect on the services provided under it. Another type of significant limitation might be that the contract only operates through certain means of communication, e.g. telephone or internet.

**Funeral plan summary**

9.2.7 **R** A *firm* must provide a *customer* with a *funeral plan summary* in good time before the conclusion of a *funeral plan contract*.

9.2.8 **G** (1) The *funeral plan summary* should be provided on paper or in another *durable medium*.

(2) In the case of telephone selling, a *firm* may provide the *funeral plan summary* in accordance with the distance communication timing requirements and provide the *funeral plan summary* to the *customer* immediately after the conclusion of the *funeral plan contract*.

(3) The *funeral plan summary* should be provided on paper or in another *durable medium* and otherwise in accordance with ■ FPCOB 6.2 (Means of communication to customers).

### Responsibility for producing and providing the funeral plan summary as between funeral plan providers and funeral plan intermediaries

- 9.2.9 **R**
- (1) A *funeral plan provider* is responsible for designing and producing a *funeral plan summary*.
  - (2) A *funeral plan intermediary* is responsible for providing a *funeral plan summary* to a *customer*.
  - (3) If there is no *funeral plan intermediary*, the *funeral plan provider* is responsible for providing the *funeral plan summary* to a *customer*.

### Funeral plan contracts: importance of reading documentation

- 9.2.10 **R**
- (1) A *firm* must draw a *customer's* attention to the importance of reading the *funeral plan contract* documentation before the end of the cancellation period to check that the *funeral plan* is suitable for the *customer*.
  - (2) This must be done orally if a *firm* provides information orally on any main characteristic of a *funeral plan* but otherwise in writing.

### Price information: general

- 9.2.11 **R** A *firm* must provide price information in a way calculated to enable the *customer* to relate it to a regular budget.
- 9.2.12 **G** Price information should include at least the total price (or where it cannot be indicated, the basis for calculating it) of the *funeral plan* and, where relevant:
- (1) for *instalment payment funeral plans* with a payment schedule greater than 12 *months*, whether the payments may increase and if so, the amount of the increase (or where this cannot be indicated, the basis for calculating it) and the timing of the increase;
  - (2) other *fees* and taxes payable and potentially payable by the *customer* through the *firm*; and
  - (3) a statement identifying separately the possibility of any taxes not payable through the *firm*.
- 9.2.13 **R** Where a *firm* offers *customers* the option to pay for a *funeral plan* by instalments, it must clearly communicate the total cost of the instalment payment option.
- 9.2.14 **R** If a *firm* has more than one payment option available for its *funeral plans* and does not present all the payment options to *customers*, it must also make it clear to *customers* that other payment options are available.

- 9.2.15 **G** For the purposes of the *fair, clear and not misleading rule*:
- (1) the total price of the instalment payment option should be given equal prominence and emphasis as the price of the single payment option; and
  - (2) the total price of the instalment payment option should not be presented in a way that gives the impression that it is equivalent to the price of the single payment option (unless this is actually the case).
- 9.2.16 **G** Price information should be given in writing or another *durable medium* in good time before conclusion of the contract. This is in addition to any requirement or decision to provide the information orally. In the case of a *distance contract* concluded over the telephone, it may be provided in writing or another *durable medium* no later than immediately after conclusion.