

Chapter 12

Handling of payments by intermediaries



12.1 Application and purpose

Application

- 12.1.1 R This chapter applies to a *firm* in relation to *funeral plan provision* and *funeral plan distribution*.
- 12.1.2 G A *firm* (including a *funeral plan provider*) that has accepted responsibility for *funeral plan distribution* undertaken by an *appointed representative* must ensure that the representative complies with this chapter as if it was an intermediary *firm* (see ■ FPCOB 1.2.4R).

Purpose

- 12.1.3 G The *rules* in this chapter mitigate the risk of loss to *customers* on the insolvency of a *firm* engaged in *funeral plan distribution*. Such a *firm* cannot receive or handle payments for a *funeral plan contract* except in some limited circumstances by cheque or in the form of cash and can only receive or handle a cash payment if that contract will be effective from the moment of receipt.